

# **HOUSING ASSESSMENT**

**CITY OF ANGELS**

**CALAVERAS COUNTY, CALIFORNIA**

**JULY 2005**

Prepared with funding from the Community Development Block Grant  
Planning and Technical Assistance Program

By

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## **INTRODUCTION**

In October 2004, Laurin Associates was commissioned by the City of Angels to conduct a Household Income Survey, a Housing Condition Survey, and a Housing Needs Assessment in the City, funded with a CDBG Planning and Technical Assistant grant received from the State Department of Housing and Community Development. This document describes the results of the analysis performed in the City and provides recommendations to further the City's goal for providing safe and suitable housing for residents of all income levels.

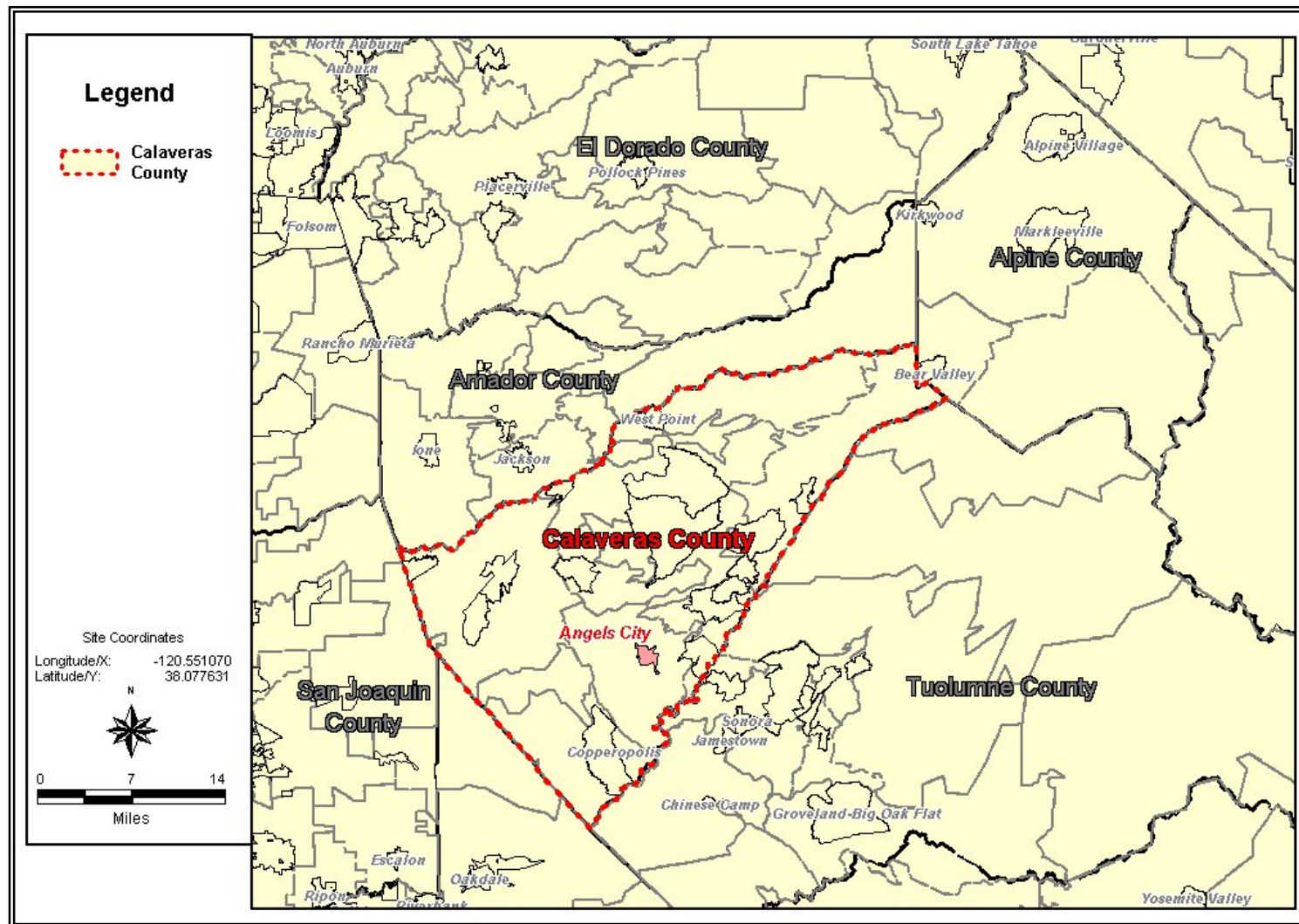
## **CITY OF ANGELS**

The City of Angels, also known as Angels Camp, is located on the scenic Golden Chain Highway 49 near Highway 4, east of Stockton, California. The history of the City of Angels is similar to that of many of California's Gold Rush towns.

Angels began as a tent town with many flimsy wooden structures. Tents would line narrow, unpaved lanes which were rutted and in rough condition from years of wagon and stagecoach use. As the town built up around them, the streets remained in their old state. By 1927, the residents were ready to remedy the deplorable condition of Main Street by passing a bond measure to finance a paved main street. The Angels Camp Boosters, a community service organization, which began in 1925 and still exists today, decided that a celebration was in order. Their original idea was to hold the "Days of 49", but a visiting minister, the Reverend Brown, suggested they use the famous Mark Twain story theme. Therefore on May 19 and 20, 1928, the first Jumping Frog Jubilee was held on main street, downtown Angels Camp. In 1855, the first fire took its toll by destroying almost everything from Angels Camp to St. Patrick's Church. In rebuilding, many structures were built of rock with iron doors and roofs insulated with dirt and sand. Angels incorporated as a City in 1912. Mining continued until the last mine, the Gold Cliff shaft of the Utica Mining Company, closed in 1942. With the need for metal during World War II, most of the mining machinery was sold for scrap and now only a few concrete foundations and mill works remain of the Gold Rush Days in Angels Camp.

Angels' population today is over 3,500 and has grown by nearly 20 percent since 1990. Its popular attractions include Moaning Caverns, the Angels Camp Museum, and the internationally famous Calaveras County Jumping Frog Jubilee. The recent opening of the Greenhorn Creek Golfcourse brought world class golfing to the area. Nearby, New Melones Lake offers exceptional fishing and all types of water sports.

**EXHIBIT 1**  
**LOCATION OF CALAVERAS COUNTY AND THE CITY OF ANGELS**



## **SECTION I**

### **HOUSEHOLD INCOME SURVEY**

One purpose of the Income Survey is to determine eligibility for housing assistance programs provided by the U.S. Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD). Assisting households with incomes at or below 80 percent of the area median income (AMI) is the primary national objective governing the uses of Community Development Block Grant funds. The AMI in Calaveras County in 2004, when the study was conducted, was \$58,000 for a household of four persons, compared to the State median income for non-metropolitan areas of \$49,100.

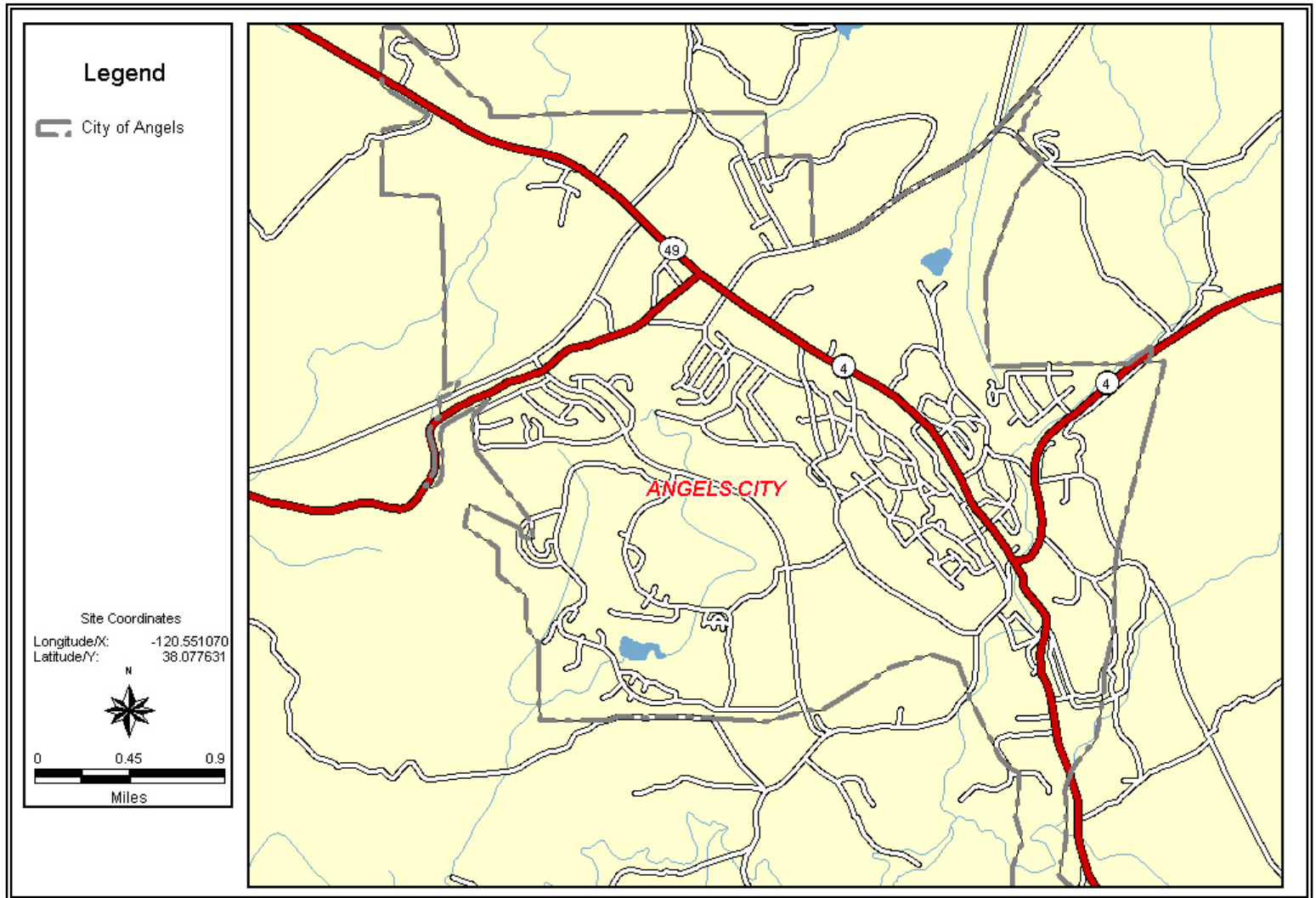
There are two income categories in the below 80 percent of the AMI range: Very Low-Income, which are households with incomes below 50 percent of AMI, and Low-Income, which includes households with incomes between 50 percent and 80 percent of AMI. Households with incomes at or below 80 percent of AMI are designated as the Targeted Income Group (TIG) and are considered eligible for HUD and HCD programs. Jurisdictions, or portions thereof, with more than 51 percent of residents in the TIG are considered HUD-eligible areas.

Based on the survey, the City of Angels has a TIG population of 57.7 percent. Retired persons represent 37.4 percent of the survey respondents, and 80.6 percent of the respondents are homeowners. Additionally, 66.7 percent of the surveyed households contain one or two persons; the average monthly rent is \$609, and the average monthly mortgage is \$1,082. A total of 34.9 percent of the respondents indicated an interest in a City sponsored housing rehabilitation program, and 17.7 percent indicated interest in a first time homebuyer program.

#### **SURVEY PROCEDURE**

The Household Income Survey was conducted in November and December 2004 throughout the entire City. In addition to the house-to-house interviews conducted with City householders, the survey was mailed to each resident requesting them to answer the questions and return the completed survey to Laurin Associates. Households were interviewed during daytime hours and input was solicited regarding household size, income, employment, age, number of bedrooms and bathrooms, and interest in City sponsored housing assistance programs.

**EXHIBIT I-1  
CITY OF ANGELS - INCOME SURVEY AREA**



The surveyors used a methodology developed by HUD to, as closely as possible, be random and free from surveyor bias. To ensure that the data collected is representative of the population surveyed, HUD requires a specified number of households, per the number of households residing in an area, be contacted. According to the residential utility mailing list provided by the City, the area contained a total of 1,398 residences, a portion of which are vacation homes. The California Department of Finance estimated there to be 1,505 households in January 2004, requiring a sample size of at least 350 households. A total of 530 completed surveys were obtained, 329 from personal surveys and 201 from the mail-in responses. Completed responses represented approximately 35.2 percent of the households in the City.

The surveyors gathered responses from each household using a standardized survey instrument (Attachment 1). The survey was conducted on various days of the week, generally from late-morning to the early evening. Attachment 2 shows an example of the mail-in survey form.

### TARGET INCOME GROUP STATUS

According to HUD, the Calaveras County Area Median Income (AMI) in 2004 was \$58,000 for a four-person household. Income level distributions for the entire survey area are as follows: 35.8 percent in the Very Low Income category, 21.9 percent in the Low Income category, and 42.3 percent in the Moderate and Above Moderate Income categories. Within the City, a total of 57.7 percent of the households surveyed were defined as the Target Income Group, having Very Low and Low incomes.

**TABLE I-1**

#### INCOME LEVELS AND TIG STATUS OF ALL HOUSEHOLDS SURVEYED

| INCOME LEVEL   | NUMBER     | PERCENT      |
|--|------------|--------------|
| <b>Very Low</b><br>50% of Median or Less             | 190        | 35.8%        |
| <b>Low</b><br>50%-80% of Median                      | 116        | 21.9%        |
| <b>Moderate and Above</b><br>More Than 80% of median | 224        | 42.3%        |
| <b>TOTAL</b>   | 530        | 100.0%       |
| <b>TOTAL TIG</b><br><b>&lt; 80% of median</b>        | <b>306</b> | <b>57.7%</b> |
| Source: Laurin Associates 2004 Angels Income Survey  |            |              |

## HOUSEHOLD SIZE

According to the 2004 Income Survey, two-person households comprised the majority of households, with 39.2 percent of those surveyed. One-person households were the second most abundant and comprised 27.5 percent, and three-person households followed with 14.4 percent. A total of 11.7 percent of the households surveyed were large households, with five or more persons. The TIG households represented 27.5 percent of the one-person households, 39.2 percent of the two-person, and 14.4 percent were three-person households of those surveyed. The average household size in the survey area is 2.38 persons, and for the TIG population it is 3.4. The California Department of Finance reported the average household size as 2.29 persons for the City as a whole in 2004.

**TABLE I-2**  
**SURVEY AREA HOUSEHOLD SIZE**

| <b>HOUSEHOLD<br/>SIZE</b>                           | <b>NUMBER</b> | <b>PERCENT</b> | <b>TIG<br/>NUMBER</b> | <b>TIG<br/>PERCENT</b> |
|---|---------------|----------------|-----------------------|------------------------|
| 1 Person  | 110           | 20.8%          | 84                    | 27.5%                  |
| 2 Person  | 265           | 50.0%          | 120                   | 39.2%                  |
| 3 Person  | 67            | 12.6%          | 44                    | 14.4%                  |
| 4 Person  | 41            | 7.7%           | 22                    | 7.2%                   |
| 5 Person  | 29            | 5.5%           | 20                    | 6.5%                   |
| 6 Person  | 16            | 3.0%           | 14                    | 4.6%                   |
| 7 Person  | 1             | 0.2%           | 1                     | 0.3%                   |
| 8 Person  | 1             | 0.2%           | 1                     | 0.3%                   |
| <b>TOTAL</b>  | <b>530</b>    | <b>100.0%</b>  | <b>306</b>            | <b>100.0%</b>          |
| <b>Average Size</b>                                 | <b>2.38</b>   |                | <b>3.4</b>            |                        |
| Source: Laurin Associates 2004 Angels Income Survey |               |                |                       |                        |

**HOUSEHOLD INCOME BY TENURE**

According to the 2004 Income Survey, 80.6 percent of all households and 42.1 percent of TIG households in the survey area are homeowners, while 19.4 percent of all households and 35.0 percent of TIG households are renters. A total of 23.8 percent of owner households (124 households) are in the Very Low Income group, and 11.9 percent of renter households (62 households) are Very Low Income.

**TABLE I-3****HOUSEHOLD TENURE STATUS**

| <b>TENURE</b>   | <b>NUMBER</b> | <b>PERCENT OF SURVEYED HOUSEHOLDS</b> |
|---|---------------|---------------------------------------|
| <b>Survey Area Total Owners</b>   | 419*          | 80.6%                                 |
| Very Low Income   | 124           | 23.8%                                 |
| Low Income  | 95            | 18.3%                                 |
| Moderate and Above  | 200           | 38.5%                                 |
| <b>Total TIG Owners</b>   | <b>219</b>    | <b>42.1%</b>                          |
| <b>Survey Area Total Renters</b>  | 101*          | 19.4%                                 |
| Very Low Income   | 62            | 11.9%                                 |
| Low Income  | 20            | 3.8%                                  |
| Moderate and Above  | 19            | 3.7%                                  |
| <b>Total TIG Renters</b>  | <b>82</b>     | <b>35.0%</b>                          |
| * Note: Based on a sample of 520 surveys; 10 households did not indicate tenure status<br>Source: Laurin Associates 2004 Angels Income Survey |               |                                       |



## SOURCE OF INCOME

A total of 265 households (51.9 percent) indicated that salaries and wages was their principal source of income. An additional 191 households (37.4 percent) indicated retirement benefits as their principal source of income. Most respondents receiving retirement benefits also indicated at least one additional source of income, such as salaries and wages or self-employment income. Those households not receiving their principal income from salaries and wages comprised 10.8 percent of the surveyed households.

**TABLE I-4**  
**HOUSEHOLDS BY SOURCE OF INCOME**

| SOURCE OF INCOME   | NUMBER | PERCENT |
|--|--------|---------|
| Salary/Wages   | 265    | 51.9%   |
| Retirement   | 191    | 37.4%   |
| Self Employed  | 18     | 3.5%    |
| County General Assistance  | 8      | 1.6%    |
| SSI  | 25     | 4.9%    |
| Unemployment Benefits  | 4      | 0.8%    |
| TOTAL  | 511    | 100%    |
| *Note: Based on 511 surveys; 19 respondents did not indicate source of income<br>Source: Laurin Associates 2004 Angels Income Survey |        |         |

## EMPLOYMENT STATUS

Of the 530 households surveyed, 247 (46.6 percent) have persons in the household employed full-time. Additionally, a total of 114 of all surveyed households have one or more persons working part-time. Of the households containing full-time employed persons, 31.5 percent had one person in the household employed full-time, 13.0 percent had two persons employed full-time, and only one household had three or more persons employed full-time. Approximately 21.5 percent (114) of the households have one or more persons employed part-time.

**TABLE I-5**  
**HOUSEHOLD EMPLOYMENT STATUS BY THE NUMBER OF PERSONS  
EMPLOYED IN HOUSEHOLD**

| Number<br>Employed In<br>Household | 1 Person<br>Employed |       | 2 Persons<br>Employed |       | 3+ Persons<br>Employed |      |
|------------------------------------|----------------------|-------|-----------------------|-------|------------------------|------|
| Status                             | Number               | %     | Number                | %     | Number                 | %    |
| Employed Full-Time                 | 167                  | 31.5% | 69                    | 13.0% | 11                     | 2.1% |
| Employed Part-Time                 | 102                  | 19.2% | 11                    | 2.1%  | 1                      | 0.2% |

Source: Laurin Associates 2004 Angels Income Survey

A total of 225, or 62.3 percent, of the employed households have multiple persons in the household working. There were 27 households with only one person employed full-time, 91 households with two persons employed full-time, and 134 households with only three or more persons employed full-time.

**TABLE I-6****HOUSEHOLD EMPLOYMENT STATUS BY HOUSEHOLD SIZE**

| <b>HOUSEHOLD SIZE</b>                               | <b>TOTAL HOUSEHOLDS SURVEYED</b> | <b>HOUSEHOLDS WITH AT LEAST ONE PERSON EMPLOYED FULL-TIME</b> |                | <b>HOUSEHOLDS WITH AT LEAST ONE PERSON EMPLOYED PART-TIME</b> |                |
|---|----------------------------------|---|----------------|---|----------------|
|   |                                  | <b>Number</b>   | <b>Percent</b> | <b>Number</b>   | <b>Percent</b> |
| 1 Person  | 110                              | 27  | 10.7%          | 15  | 11.6%          |
| 2 Persons   | 265                              | 91  | 35.9%          | 50  | 44.6%          |
| 3 Persons   | 67                               | 52  | 20.6%          | 19  | 17.0%          |
| 4 Persons   | 41                               | 35  | 13.8%          | 14  | 12.5%          |
| 5+ Persons  | 47                               | 47  | 19.0%          | 16  | 14.3%          |
| <b>TOTAL</b>  | <b>530</b>                       | <b>252</b>  | <b>100.0%</b>  | <b>114</b>  | <b>100.0%</b>  |
| Source: Laurin Associates 2004 Angels Income Survey |                                  |   |                |   |                |

**HOUSING COSTS**

The Income Survey revealed that 80.6 percent of the households in the City of Angels are homeowners, while 19.4 are renters. The average monthly renter cost was \$609, with the median monthly renter cost \$527. There was over a \$2,015 difference between the lowest monthly rent and the highest monthly rent. The highest monthly rent of \$2,100 was much higher than the second highest rent of \$1,300. The average monthly mortgage cost was \$1,082, while the median monthly mortgage cost was \$1,068. The difference between the highest and lowest monthly mortgage payment was \$2,707. Again, the lowest mortgage may be an anomaly because the second lowest mortgage was \$249.

**TABLE I-7****HOUSING COSTS BY TENURE**

| <b>RENTERS</b>                                      |              | <b>OWNERS</b>   |                  |
|---|--------------|-----------------|------------------|
| Average   | Median       | Average         | Median           |
| \$609   | \$527        | \$1,082         | \$1,068          |
| Lowest Rent   | Highest Rent | Lowest Mortgage | Highest Mortgage |
| \$85  | \$2,100      | \$93            | \$2,800          |
| Source: Laurin Associates 2004 Angels Income Survey |              |                 |                  |

The following table indicates the breakdown of tenure based on housing type and rent or mortgage paid for survey respondents. There were a total of 419 homeowners in the survey area. Of those owners, 265 (78.2 percent) do not pay a mortgage or did not reveal the amount of mortgage paid. The Income Survey revealed that there is an approximate difference of \$229 in the average monthly rent of a single family home and the average monthly mortgage, \$886 versus \$1,115. The relatively small difference between the average single-family home rental and single-family home mortgage is a good indicator that a first time homebuyer program has good potential in the City. There are far more owners of mobile homes than there are renters, and interestingly, the average mobile home mortgage is \$254 less than the average mobile home that is rented.

**TABLE I-8****MONTHLY HOUSING COSTS OF SURVEYED HOUSEHOLDS BY TYPE**

| <b>Type</b>  | <b>RENTERS</b> |                |               | <b>OWNERS</b> |                |               |
|--|----------------|----------------|---------------|---------------|----------------|---------------|
|  | <b>Total</b>   | <b>Average</b> | <b>Median</b> | <b>Total</b>  | <b>Average</b> | <b>Median</b> |
| Single Family Homes  | 45             | \$886          | \$900         | 339           | \$1,115        | \$1,100       |
| Duplex   | 10             | \$756          | \$850         | 7             | \$908          | NA**          |
| Multi-Family   | 43             | \$316          | \$285         | NA            | NA             | NA            |
| Mobile Homes   | 3              | \$560          | N/A*          | 73            | \$306          | \$300         |
| <b>TOTAL</b>   | <b>101***</b>  |                |               | <b>419***</b> |                |               |
| *Note: A median rent could not be determined because only two mobile renters reported their rent amount.         |                |                |               |               |                |               |
| **Note: A median mortgage could not be determined because only two duplex owners reported their mortgage amount. |                |                |               |               |                |               |
| *** Based on 520 surveys; 10 respondents did not indicate their housing type.                                    |                |                |               |               |                |               |
| Source: 2004 Angels Income Survey; Laurin Associates   |                |                |               |               |                |               |

## HOUSING OVERPAYMENT

An important statistic to measure the affordability of housing units in a community is 'overpayment,' defined as monthly shelter costs in excess of 35 percent of a household's gross income. Of the 306 households that are very low and low income, 11.8 percent are overpaying for their housing. There were a total of 82 renter households and 219 owner households that were in the TIG based on the survey. A total of 11.3 percent of surveyed renters are Very Low Income and in an overpayment situation, while 17.6 percent of surveyed owners are Very Low Income and in an overpayment situation. A total of 17.6 percent of surveyed renters are Low Income and in an overpayment situation, and total of 20.0 percent of surveyed owners are Low Income and in an overpayment situation. The proportion of Very Low Income households overpaying for housing indicates a need for additional affordable housing in the area.

**TABLE I-9**

### TIG SURVEYED HOUSEHOLDS OVERPAYING

| HOUSE-<br>HOLD<br>SIZE                                   | VERY LOW INCOME |              |           |              | LOW INCOME |              |          |             |
|--|-----------------|--------------|-----------|--------------|------------|--------------|----------|-------------|
|  | RENTERS         | %            | OWNERS    | %            | RENTERS    | %            | OWNERS   | %           |
| 1  | 1               | 1.6%         | 1         | 0.8%         | 2          | 10.0%        | 0        | 0.0%        |
| 2  | 3               | 4.8%         | 6         | 4.8%         | 2          | 10.0%        | 1        | 1.1%        |
| 3  | 2               | 3.2%         | 3         | 2.4%         | 0          | 0.0%         | 1        | 1.1%        |
| 4  | 0               | 0.0%         | 2         | 1.6%         | 0          | 0.0%         | 1        | 1.1%        |
| 5  | 1               | 1.6%         | 6         | 4.8%         | 0          | 0.0%         | 0        | 0.0%        |
| 6  | 0               | 0.0%         | 3         | 2.4%         | 0          | 0.0%         | 0        | 0.0%        |
| 7  | 0               | 0.0%         | 1         | 0.8%         | 0          | 0.0%         | 0        | 0.0%        |
| 8  | 0               | 0.0%         | 0         | 0.0%         | 0          | 0.0%         | 0        | 0.0%        |
| <b>TOTAL</b>   | <b>7</b>        | <b>11.3%</b> | <b>22</b> | <b>17.6%</b> | <b>4</b>   | <b>20.0%</b> | <b>3</b> | <b>3.3%</b> |
| Source: Laurin Associates 2004 Angels Income Survey      |                 |              |           |              |            |              |          |             |
| Note: Percents are based on total TIG Renters and Owners |                 |              |           |              |            |              |          |             |

**HOUSING TYPE**

According to the 2004 City of Angels Income Survey, close to half (48.8 percent) of the households live in three-bedroom housing units. The survey also found that only 4.7 percent of the households live in one-bedroom homes, while 39.7 percent live in two-bedroom homes and 6.7 percent live in four and five-bedroom homes. In general, there is a greater percentage of TIG households occupying one and two-bedroom dwelling units.

**TABLE I-10  
HOUSING TYPE**

| <b>1-BEDROOM</b>  |            |           |              |
|---|------------|-----------|--------------|
| Number  | Bedrooms   | Bathrooms | Percent TIG  |
| 23  | 1          | 1         | 90.5%        |
| 1   | 1          | 2         | 100.0%       |
| <b>Total</b>  | <b>24</b>  |           | <b>83.3%</b> |
| <b>2-BEDROOM</b>  |            |           |              |
| Number  | Bedrooms   | Bathrooms | Percent TIG  |
| 120   | 2          | 1         | 92.5%        |
| 74  | 2          | 2         | 56.8%        |
| 7   | 2          | 3         | 0.0%         |
| <b>Total</b>  | <b>201</b> |           | <b>74.5%</b> |
| <b>3-BEDROOM</b>  |            |           |              |
| Number  | Bedrooms   | Bathrooms | Percent TIG  |
| 42  | 3          | 1         | 78.6%        |
| 175   | 3          | 2         | 45.1%        |
| 28  | 3          | 3         | 3.6%         |
| 2   | 3          | 4         | 0.0%         |
| <b>Total</b>  | <b>247</b> |           | <b>45.7%</b> |
| <b>4-BEDROOM</b>  |            |           |              |
| Number  | Bedrooms   | Bathrooms | Percent TIG  |
| 1   | 4          | 1         | 100.0%       |
| 14  | 4          | 2         | 35.7%        |
| 8   | 4          | 3         | 50.0%        |
| 6   | 4          | 4         | 16.7%        |
| <b>Total</b>  | <b>29</b>  |           | <b>37.9%</b> |
| <b>5-BEDROOM</b>  |            |           |              |
| Number  | Bedrooms   | Bathrooms | Percent TIG  |
| 5   | 5          | 3         | 60.0%        |
| <b>Total</b>  | <b>5</b>   |           | <b>60.0%</b> |
| Note: Data based on 506 surveys; 24 respondents did not indicate number of bedrooms |            |           |              |
| Source: Laurin Associates 2004 Angels Income Survey                                 |            |           |              |

## PROGRAM INTEREST

As part of the Income Survey, all households were asked about their interest in participating in a City sponsored housing rehabilitation or first time homebuyer program. A total of 34.9 percent of those surveyed indicated an interest in participating in a housing rehabilitation program and 17.7 percent indicated an interest in a first time homebuyer program. It is assumed that those homeowners interested in a first time homebuyer program expressed interest on behalf of a family member, relative or friend since existing homeowners would not qualify for this program.

**TABLE I-11**

### HOUSING REHABILITATION PROGRAM INTEREST

| Response  | Renter Households | Owner Households | Total | Percent |
|---|-------------------|------------------|-------|---------|
| Interested  | 29                | 156              | 185   | 34.9%   |
| Not Interested or No Response   | 72                | 263              | 335   | 65.1%   |
| Total   | 101               | 419              | 520   | 100%    |
| Note: Data based on 520 surveys; ten respondents did not indicate tenure status.<br>Source: Laurin Associates 2004 Angels Income Survey |                   |                  |       |         |

**TABLE I-12**

### FIRST TIME HOMEBUYER PROGRAM INTEREST

| Response  | Renter Households | Owner Households | Total | Percent |
|---|-------------------|------------------|-------|---------|
| Interested  | 57                | 35               | 92    | 17.7%   |
| Not Interested or No Response   | 44                | 384              | 428   | 82.3%   |
| Total   | 101               | 419              | 520   | 100%    |
| Note: Data based on 520 surveys; ten respondents did not indicate tenure status.<br>Source: Laurin Associates 2004 Angels Income Survey |                   |                  |       |         |

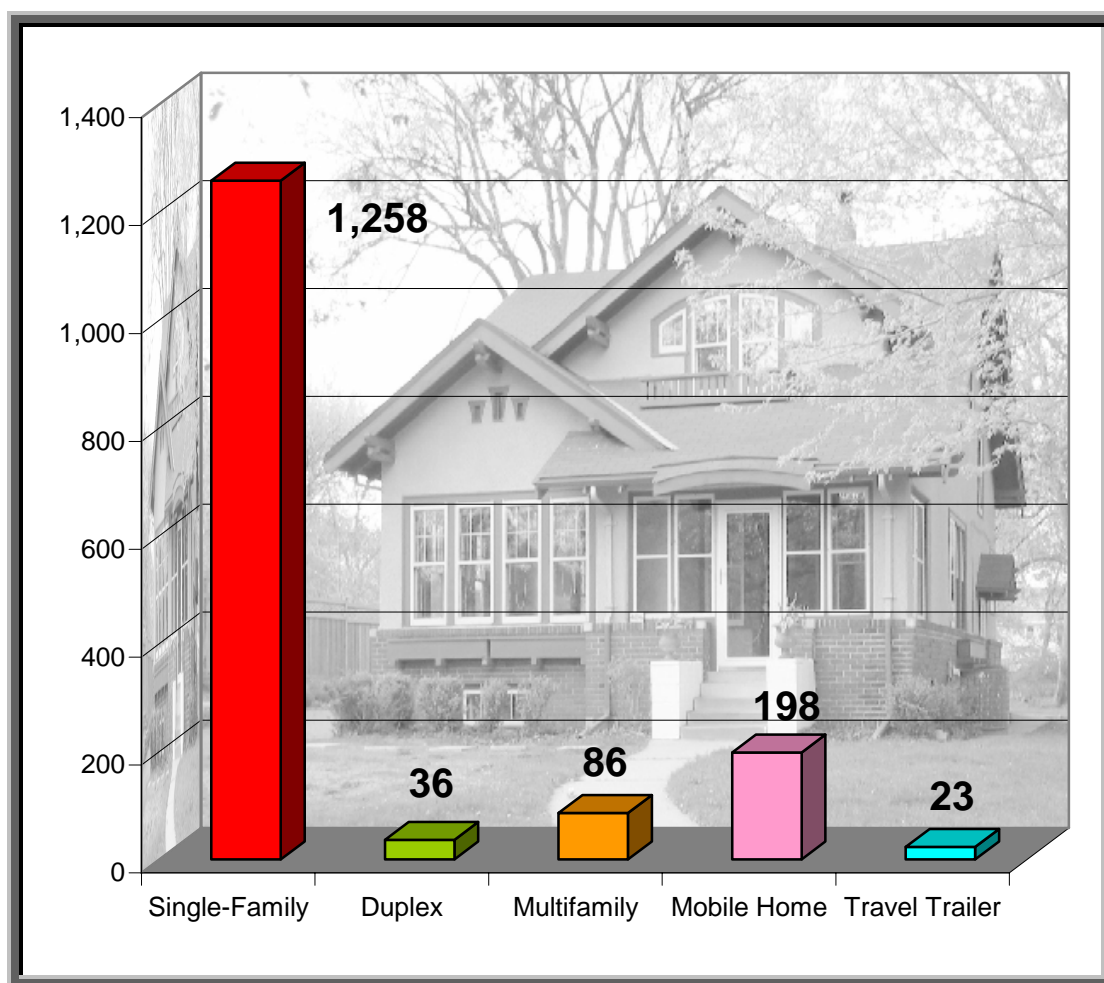
## SECTION II

### HOUSING CONDITION SURVEY

#### SUMMARY

The City of Angels has witnessed substantial growth in its housing stock over the last fifteen years. Single-family residences have increased by 71.8 percent since 1990, with 526 new homes. Multifamily units have remained stable since 1990, including duplexes. There has been a slight decline in the number of mobile homes, from 231 in 1990 to a current 198.

**FIGURE II-1**  
**DISTRIBUTION OF CITY OF ANGELS HOUSING UNITS, 2005**



A total of 1,601 housing units were surveyed in the City of Angels during the months of February and March 2005. This figure represents 100 percent of the housing units accessible to surveyors in the City at the time. Personnel of Laurin Associates conducted the survey and completed a "Housing Condition Inventory" form for each housing structure.

## SURVEY METHODOLOGY

Each residential structure was scored according to structural criteria established by the State Department of Housing and Community Development (HCD). There are five structural categories: foundation, roofing, siding, windows, and electrical; and two supplemental categories: frontage improvements and additional factors. On structures estimated to have been constructed before 1978, the condition of paint was assessed to determine if a potential problem with lead-based paint was present. Within each structural category, the housing unit is rated from “no repairs needed” to “replacement needed.” Points are aggregated for each unit and a designation is made as follows:

|             |   |
|-------------|---|
| SOUND       | 9 or less points: no repairs needed, or minor repairs needed such as exterior painting, missing roof shingles or window repair.                         |
| MINOR       | 10 to 15 points: generally one major repair needed, such as roof replacement, and several minor repairs needed such as patching and painting of siding. |
| MODERATE    | 16 to 39 points: one or two major repairs needed, such roof replacement and siding replacement.   |
| SUBSTANTIAL | 40 to 55 points: repairs needed to most surveyed items: foundation, roof, siding, windows, and electric.  |
| DILAPIDATED | 56 or more points: the costs of repair would exceed the cost to replace the residential structure.  |

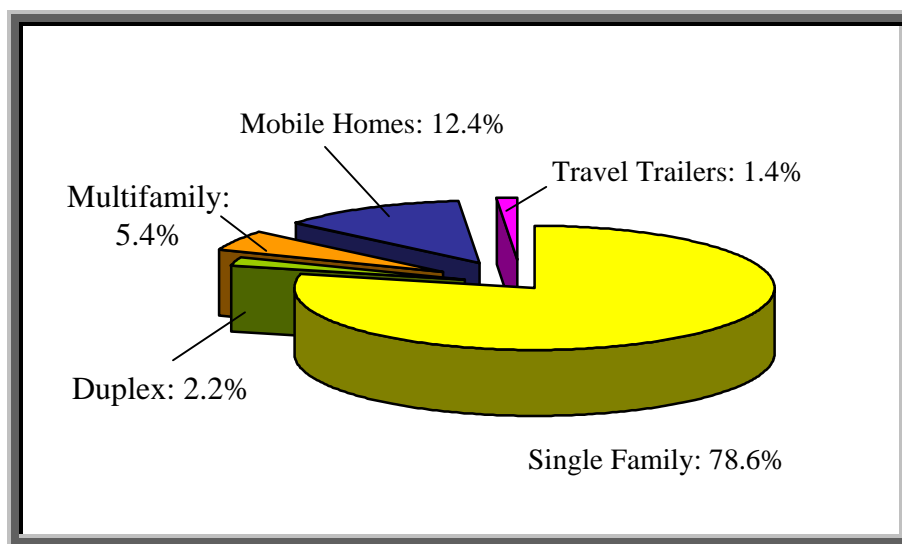
Only identifiable residential properties were surveyed. Some of the recreational vehicles were found to be permanently inhabited and were therefore counted in the survey. In several cases a mixed use, residential and commercial configuration was present. In these cases the residential units were counted, however some of these units may have been missed in the survey because it may not have been obvious that a given commercial building contained a dwelling unit as well.



## HOUSING CONDITIONS

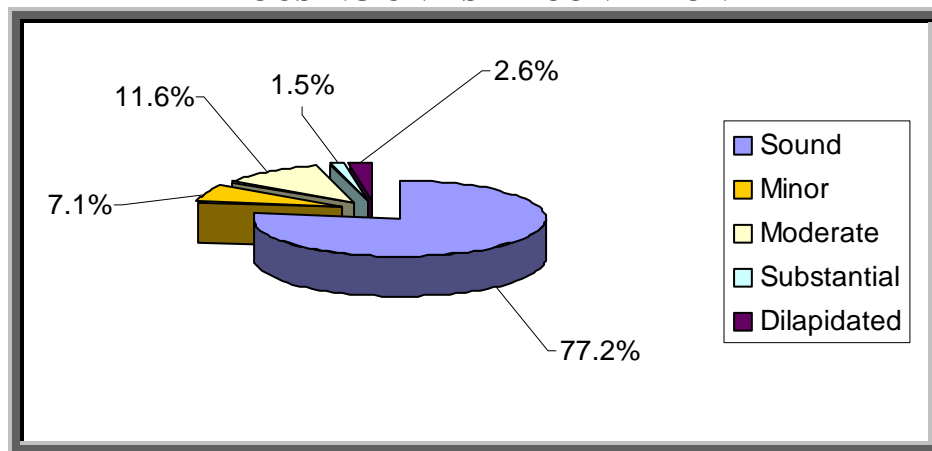
A total of 78.6 percent of the surveyed units are single-family units, 12.4 percent are mobile homes, 5.4 percent are classified as multifamily units, 2.2 percent are duplexes, and 1.4 percent are travel trailers.

**FIGURE II-2**  
**HOUSING UNITS BY TYPE**



Of all units, 77.2 percent are in sound condition, no repairs needed, while 7.1 percent need minor repairs and an additional 11.6 percent need moderate repairs. A total of 1.5 percent of the units surveyed need substantial repair, and 2.6 percent of the units are considered dilapidated.

**FIGURE II-3**  
**HOUSING UNITS BY CONDITION**



In summary, of the single-family housing units, 80.1 percent (1,007) are in sound condition and 19.2 percent (241) are in need of at least minor rehabilitation. A total of 2.2 percent (25) single-family housing units are considered dilapidated; the cost of rehabilitation would exceed the cost to demolish the structure and rebuild.

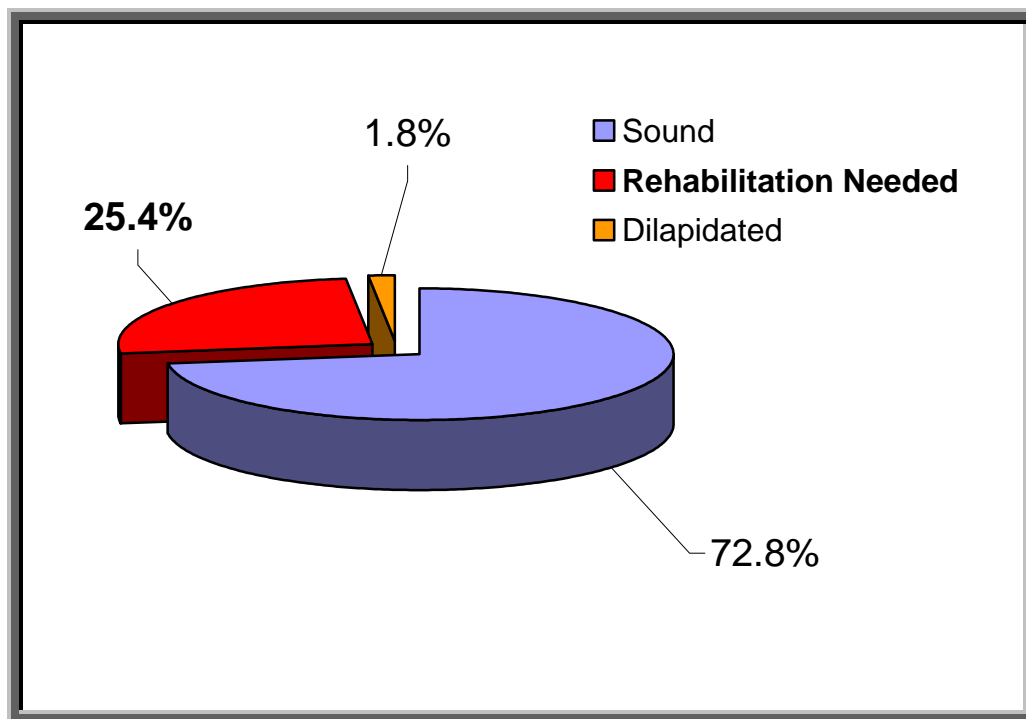
A total of 94.4 percent (34) of individual housing units configured as duplexes are in sound condition, with 5.6 percent (2) in need of rehabilitation. No duplexes were found to be in dilapidated condition. The survey revealed that 76.7 percent (66) of the multifamily units are in sound condition, with 23.3 percent (20) in need of at least minor rehabilitation. No multifamily units were found to be dilapidated. Additionally, a total of 23.2 percent (46) of the mobile homes in the City are in sound condition, with 76.8 percent in need of rehabilitation, mostly in need of foundation improvements. No mobile homes are dilapidated. Finally, 56.5 of the occupied travel trailers found in the City are considered to be in sound condition, with 39.1 percent (9) in need of rehabilitation. One occupied trailer is considered to be dilapidated.

**TABLE II-1  
HOUSING CONDITION SUMMARY**

|                    | <b>Single<br/>Family</b> | <b>Duplex</b> | <b>Multi-<br/>Family</b> | <b>Mobile<br/>Home</b> | <b>Travel<br/>Trailer</b> | <b>Total</b> |
|--------------------|--------------------------|---------------|--------------------------|------------------------|---------------------------|--------------|
| <b>Sound</b>       | 1,007                    | 34            | 66                       | 46                     | 13                        | 1,166        |
| <b>Percent</b>     | 80.1%                    | 94.4%         | 76.7%                    | 23.2%                  | 56.5%                     | 72.8%        |
| <b>Minor</b>       | 107                      | 0             | 12                       | 55                     | 7                         | 181          |
| <b>Percent</b>     | 8.5%                     | 0.0%          | 14.0%                    | 27.8%                  | 30.5%                     | 11.3%        |
| <b>Moderate</b>    | 98                       | 2             | 8                        | 90                     | 2                         | 200          |
| <b>Percent</b>     | 7.8%                     | 5.6%          | 9.3%                     | 45.5%                  | 8.7%                      | 12.5%        |
| <b>Substantial</b> | 18                       | 0             | 0                        | 7                      | 0                         | 25           |
| <b>Percent</b>     | 1.4%                     | 0.0%          | 0.0%                     | 3.5%                   | 0.0%                      | 1.6%         |
| <b>Dilapidated</b> | 28                       | 0             | 0                        | 0                      | 1                         | 29           |
| <b>Percent</b>     | 2.2%                     | 0.0%          | 0.0%                     | 0.0%                   | 4.3%                      | 1.8          |
| <b>Total</b>       | 1,258                    | 36            | 86                       | 198                    | 23                        | 1,601        |

A housing unit is deemed in need of rehabilitation if it is classified as needing Minor, Moderate, or Substantial repairs. In the City of Angels a total of 25.4 percent, or 406 of the 1,601 housing units surveyed are in need of some form of rehabilitation.

**FIGURE II-4  
HOUSING UNITS BY REHABILITATION STATUS**



**Total housing units needing rehabilitation: 406 (25.4%)**

The single most common repair across all housing types in the City is exterior siding repair or replacement. A total of 15.9 percent (255 units) of all housing units need this repair. Additionally, a total of 312 units were in need of exterior painting. The survey showed that a total of 28.2 percent (201 units) of the housing units need either roof replacement or a combination of roof structure and roof replacement. Additionally, 9.7 percent of all housing units (156 units) have the problem of missing a few shingles or in need of chimney repair.

Deteriorating window frames or windows in disrepair were fairly common within the City. Especially noticeable were wood-sash windows with chipped and peeling paint, a classic source of lead-based paint dust in older homes. In cases where all wood-sash windows exhibited paint deterioration on older homes, points were given for replacement. There were 173 housing units identified to be in need of complete or partial window replacement.

There were 133 instances where the main electrical panel was found to be in need of replacement because the electrical wiring looked very old or in a configuration below standard code. An additional 105 housing units were found to be in need of minor electrical repair, generally due to exposed or loose wiring visible from the street. In some cases, electrical wiring was found that had been re-routed or added in methods that were not up to the standard building code and require professional attention. Foundation repair was found to be the least problematic condition for housing units in the City. There were only 64 instances where foundations were in complete absence or in need of repair.

There is a moderate need for sidewalks at various locations in the City. A total of 1,189 housing units were found to have no sidewalks. It is commonly found that the oldest homes lack sidewalks, however paved streets, curbs and gutters are in place. The most notable areas where sidewalks were absent were inside mobile home parks and also at new residential parcels on the west side of the City. There were only 28 housing units found to be on unpaved roads or lacking complete frontage improvement. The survey also showed that there were no substantial problems related to drainage on the public right-of-way.

**TABLE II-2**  
**NEEDED REPAIRS – ALL HOUSING UNITS**

| NEEDED REPAIR                                   | NUMBER | NEEDED REPAIR                                       | NUMBER |
|---|--------|---|--------|
| Foundation                                      |        | Siding/Stucco                                       |        |
| General Repair                                  | 40     | Re-painting   | 312    |
| Partial Foundation                              | 6      | Patching/<br>Painting                               | 135    |
| No or Needs<br>Foundation                       | 18     | Replacement/<br>Painting &/or Lead –<br>Based Paint | 120    |
| Roofing   |        | Windows   |        |
| Shingles Missing or<br>Chimney Repair           | 250    | Broken Pane   | 66     |
| Re-roofing                                      | 116    | Repair  | 117    |
| Roof Structure<br>Replacement and<br>Re-roofing | 85     | Replacement   | 56     |
| Electrical                                      |        |   |        |
| Minor Repair                                    |        | 105   |        |
| Replace Main Panel                              |        | 133   |        |
| Frontage Improvements                           |        |   |        |
| Sidewalks                                       |        | 1,189   |        |
| Curbs   |        | 844   |        |
| Gutters   |        | 780   |        |
| Paved Street                                    |        | 28  |        |

## SITE-SPECIFIC HOUSING NEEDS

The condition of housing units in the City of Angels is generally good. There are a significant number of new housing units on spacious parcels surrounding the Greenhorn Creek Golfcourse and the subdivisions immediately to its west and northwest. In this area the upscale housing units are in stark contrast to housing in the older parts of the City; however, new units are found on many infill parcels throughout the City. There are very few instances where poor housing conditions predominate in a given neighborhood.

The single most significant area where there is a concentration of housing in need of rehabilitation or where dilapidated housing exists is in the central City area. This neighborhood is generally bordered by Gold Cliff Road and Tuolumne Avenue on the West, Demarest Street and Murphy's Grade Road on the North, Purdy Road on the East, and Finnegan Lane and Highway 4 on the South. Here, there is a mix of single-family homes, duplexes and mobile homes that are either dilapidated or require significant rehabilitation. The table below lists the housing units in need of either moderate or substantial rehabilitation.

**TABLE II-3**

### HOUSING UNITS IN NEED OF MODERATE TO SUBSTANTIAL REHABILITATION

| Address            | Rehabilitation Points |                    |                       |                    |                       |
|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
|                    |                       | 633 Holly          | 40                    | 93 Bighorn Park    | 35                    |
| 977 Stork          | 55                    | 627 Gardner        | 40                    | 874 Mark Twain     | 35                    |
| 8 Bighorn Park     | 55                    | 516 Amador         | 40                    | 786 Hwy 49         | 35                    |
| 33 Bighorn Park    | 55                    | Address            | Rehabilitation Points | 76 Bighorn Park    | 35                    |
| 180 Bighorn Park   | 55                    | 36 Bighorn Park    | 40                    | 753 Booster        | 35                    |
| 1690 Martina       | 55                    | 311 Bennet         | 40                    | 713 Suzanne Ct     | 35                    |
| 97 Bighorn Park    | 50                    | 197 Monte Verde    | 40                    | Address            | Rehabilitation Points |
| 1570 Park          | 50                    | 1634 Park          | 40                    | 70 Bighorn Park    | 35                    |
| 1486 Finnigan      | 50                    | 1526 Finnigan      | 40                    | 691 Anna Lee       | 35                    |
| Unit 20            | 46                    | Angels MHP Unit 7  | 36                    | 629 Holly          | 35                    |
| Bighorn Park       | 46                    | 927 Hwy 49         | 36                    | 59 Bighorn Park    | 35                    |
| Angels MHP Unit 13 | 45                    | 464 S. Main        | 36                    | 453 S. Main        | 35                    |
| Hwy 49             | 45                    | 452 Stone Wall     | 36                    | 343 Bennet         | 35                    |
| Bighorn Park       | 45                    | 27 Bighorn Park    | 36                    | 257 Bear Mt        | 35                    |
| 907 Bret Harte     | 45                    | 263 Bear Mt        | 36                    | 231 Monte Verde    | 35                    |
| 1312 Bush          | 45                    | Angels MHP Unit 3  | 35                    | 1647 Main          | 35                    |
| 1050 Bret Harte    | 45                    | Angels MHP Unit 17 | 35                    | 1553 Mountain View | 35                    |
| 973 Purdy          | 41                    | Monte Verde        | 35                    | 1541 Mountain View | 35                    |
|                    |                       | 970 Bret Harte     | 35                    | 1401 Fair Vew      | 35                    |

*City of Angels, California*

*Housing Assessment, 2005*

|                    |    |                   |    |                    |    |
|--------------------|----|-------------------|----|--------------------|----|
| 970 Bret Harte     | 31 | 99 Bighorn Park   | 25 | Angels MHP Unit 16 | 20 |
| 1572 Main          | 31 | 96 Bighorn Park   | 25 | Bighorn Park       | 20 |
| Hwy 49             | 30 | 936 Tuolumne Ave  | 25 | Bighorn Park       | 20 |
| Hwy 4              | 30 | 89 Bighorn Park   | 25 | 853-B Tuolumne     | 20 |
| Bush St            | 30 | 80 Bighorn Park   | 25 | 79 Bighorn Park    | 20 |
| Bighorn Park       | 30 | 764 Oneida        | 25 | 735 Gardner        | 20 |
| Bighorn Park       | 30 | 737 Tuolumne      | 25 | 66 Bighorn Park    | 20 |
| 85 Bighorn Park    | 30 | 44 Bighorn Park   | 25 | 530 Amador         | 20 |
| 790 Oneida St      | 30 | 296 Catalpa Ln    | 25 | 489 San Joaquin    | 20 |
| 74 Bighorn Park    | 30 | 1705 Martina      | 25 | 463 S. Main        | 20 |
| 680 Tuolumne       | 30 | 1688 Main         | 25 | 445 N. Main        | 20 |
| 58 Bighorn Park    | 30 | 1663 Tyron        | 25 | 41 Bighorn Park    | 20 |
| 57 Bighorn Park    | 30 | 163 San Joaquin   | 25 | 4 Bighorn Park     | 20 |
| 52 Bighorn Park    | 30 | 1584 Sonora       | 25 | 35 Bighorn Park    | 20 |
| 454 Hwy 49         | 30 | 1558 Depot        | 25 | 17 Bighorn Park    | 20 |
| 297 Purdy          | 30 | 1512 Finnigan     | 25 | 1673 Tyorn         | 20 |
| 169 N. Main        | 30 | 1498 Finnigan     | 25 | 1372 Bush          | 20 |
| 1534 Depot         | 30 | 13 Bighorn Park   | 25 | 1352 Bush          | 20 |
| 145 Bighorn Park   | 30 | 110 Bighorn Park  | 25 | 1280 Hardscrabble  | 20 |
| 1321 Fair View     | 30 | 102 Bighorn Park  | 25 | 113 Bighorn Park   | 20 |
| 131 Bighorn Park   | 30 | 1012 Summit       | 25 | 108 Bighorn Park   | 20 |
| 1241 Bush St       | 30 | 10 Bighorn        | 25 | 105 Bighorn Park   | 20 |
| 115 Bighorn Park   | 30 | Angels MHP Unit 8 | 21 | 103 Bighorn Park   | 20 |
| 1040 Bragg         | 30 | Bighorn Park      | 21 | 81 Bighorn Park    | 17 |
| Angels MHP Unit 12 | 26 | Bighorn Park      | 21 | 62 Bighorn Park    | 17 |
| Angels MHP Unit 1  | 26 | 920 Stork         | 21 | 54 Bighorn Park    | 17 |
| 612 San Joaquin    | 26 | 87 Bighorn Park   | 21 | 46 Bighorn Park    | 17 |
| 584 Alpine         | 26 | 687 Hwy 49        | 21 | 424 Hwy 49         | 17 |
| 5 Bighorn Park     | 26 | 600 Alpine        | 21 | 12 Bighorn Park    | 17 |
| 355 Bennet         | 26 | 6 Bighorn Park    | 21 | 101 Bighorn Park   | 17 |
| 32 Bighorn Park    | 26 | 59 Bighorn Park   | 21 | Bighorn Park       | 16 |
| 31 Bighorn Park    | 26 | 547 San Joaquin   | 21 | Bighorn Park       | 16 |
| 30 Bighorn Park    | 26 | 53 Bighorn Park   | 21 | Bighorn Park       | 16 |
| 170 Bighorn Park   | 26 | 473 San Joaquin   | 21 | Bighorn Park       | 16 |
| 1695 Tyron         | 26 | 460 Dogtown       | 21 | 98 Bighorn Park    | 16 |
| 1615 Main          | 26 | 457 Dogtown       | 21 | 938 Bret Harte     | 16 |
| 1558 Depot         | 26 | 42 Bighorn Park   | 21 | 784 Suzanne Ln     | 16 |
| 135 Bighorn Park   | 26 | 40 Bighorn Park   | 21 | 755 Casey          | 16 |
| 132 Purdy          | 26 | 38 Bighorn Park   | 21 | 75 Bighorn Park    | 16 |
| 1315 Fair View     | 26 | 26 Bighorn Park   | 21 | 67 Bighorn Park    | 16 |
| 1254 Fair View     | 26 | 183 Bighorn Park  | 21 | 665 Alpine         | 16 |
| 104 Bighorn Park   | 26 | 1689 Tyron        | 21 | 65 Bighorn Park    | 16 |
| Angels MHP Unit 4  | 25 | 132 Bighorn Park  | 21 | 583 Alpine         | 16 |
| Angels MHP Unit 14 | 25 | 107 Bighorn Park  | 21 | 572 Alpine         | 16 |
|                    |    | 1 Bighorn Park    | 21 | 55 Bighorn Park    | 16 |
|                    |    | Angels MHP Unit 2 | 20 | 51 Bighorn Park    | 16 |

|                  |    |
|------------------|----|
| 48 Bighorn Park  | 16 |
| 467 S. Main      | 16 |
| 45 Bighorn Park  | 16 |
| 43 Bighorn Park  | 16 |
| 3 Bighorn Park   | 16 |
| 272 Bennet       | 16 |
| 268 Francis      | 16 |
| 227 Monte Verde  | 16 |
| 188 Bighorn Park | 16 |
| 185 Bighorn Park | 16 |
| 175 Bighorn Park | 16 |
| 16 Bighorn Park  | 16 |
| 1576 Depot       | 16 |
| 1566 Park        | 16 |
| 1562 Main        | 16 |
| 1548 Park        | 16 |
| 15 Bighorn Park  | 16 |
| 144 Bighorn Park | 16 |
| 141 Bighorn Park | 16 |
| 134 Bighorn Park | 16 |
| 133 Bighorn Park | 16 |
| 1320 Fair View   | 16 |
| 1315 Fair View   | 16 |
| 114 Bighorn Park | 16 |
| 111 Bighorn Park | 16 |
| 11 Bighorn Park  | 16 |
| 106 Bighorn Park | 16 |

## DILAPIDATED HOUSING UNITS

A significant number of housing units throughout the City were found to be in dilapidated condition. Dilapidated units are considered to be unsuitable for rehabilitation generally because the cost to repair the unit is estimated to be more than total reconstruction. The majority of the dilapidated units are single-family homes in the central City area. The table below lists the specific addresses for each of these units.

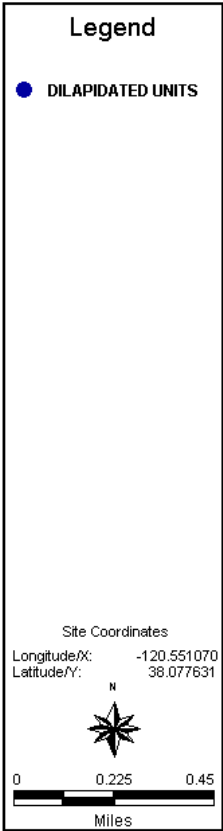
**TABLE II-4**  
**DILAPIDATED HOUSING UNITS**

| Location             | Points | Location                    | Points | Location             | Points |
|----------------------|--------|-----------------------------|--------|----------------------|--------|
| 1340 Bush St         | 80     | 1267 Hardscrabble           | 80     | 255 Bear Mtn.        | 65     |
| 1035 Purdy Road      | 80     | 1257 Hardscrabble           | 80     | 766 Mark Twain       | 65     |
| 967 Purdy Road       | 80     | 1332 Mark Twain             | 80     | 913 Stork Road       | 65     |
| 1023 Purdy Road      | 80     | 1544 Park Avenue            | 80     | 1583 Main Street     | 60     |
| 1051 Purdy Road      | 80     | Main & Pine Streets         | 80     | 1566 Park Avenue     | 60     |
| 1069 Bret Harte Road | 80     | 1095 Bret Harte Road        | 70     | 1004 Bret Harte Road | 60     |
| 1070 Bret Harte Road | 80     | 971 Stork Road              | 70     | 1420 Mark Twain Road | 60     |
| 1087 Bret Harte Road | 80     | Angels Mobile Home Court #9 | 65     | 1699 Main Street     | 60     |
| 1105 Bret Harte Road | 80     | 1580 Main Street            | 65     | 977 Stork Road       | 60     |
| 845 Main Street      | 80     | 190 Oneida Street           | 65     |                      |        |



**EXHIBIT II-1**

## LOCATION OF DILAPIDATED HOUSING UNITS



## VACANT LAND

The housing survey determined that there were a total of 97 vacant residential parcels within the City boundaries. The majority of vacant parcels are in the western portion of the City where new subdivisions are witnessing substantial new housing construction.

**TABLE II-5**

### VACANT RESIDENTIAL PARCELS

| Location        | No. of<br>Parcels | Location           | No. of<br>Parcels | Location          | No. of<br>Parcels |
|-----------------|-------------------|--------------------|-------------------|-------------------|-------------------|
| Amador Avenue   | 1                 | Grinding Rock Road | 2                 | Prospect Court    | 3                 |
| Blair Mine Road | 19                | Hillcrest Street   | 3                 | Raymond Place     | 4                 |
| Catalpa Lane    | 11                | Mary Belle Way     | 6                 | Smith Flat Road   | 8                 |
| Corral Loop     | 13                | Mill Court         | 6                 | Stanislaus Avenue | 2                 |
| Fairview Place  | 4                 | Mill Road          | 12                | Tuolumne Avenue   | 1                 |
| Fairview Drive  | 1                 | Oak Place          | 1                 |                   |                   |

## LEAD-BASED PAINT AND ASBESTOS

The Housing Condition study for the City was conducted from the street only; survey personnel did not contact homeowners or enter the property or premises for the purposes of the survey. This exterior assessment of the housing units does not reflect the fact that additional consideration regarding the potential classification of homes for rehabilitation or demolition can be based on the presence of hazardous material contained within the structure. The following information is presented as background material regarding the two most common hazardous substances found in homes built before 1978, lead-based paint and asbestos.

### Lead-based paint

The primary source of lead poisoning in children is lead based paint. Despite scientific evidence going back to the 19<sup>th</sup> century, paint manufacturers put lead in paint until it was banned by the federal government in 1977. In 1996, the federal government created very strenuous disclosure requirements for almost all residential real estate transactions, including the renting, leasing and selling of homes.

Sellers, landlords and real estate brokers are required to disclose the known existence of lead based paint, and to provide tenants and buyers with a pamphlet detailing the risks associated with lead based paint. Homes and apartments built before 1978 may still contain lead paint. If the old paint is chipped, peeling or cracking, if it is around doors or windows, on sills or baseboards, or if it is on a surface that a young child can mouth or chew, it can be a hazard, particularly to children or women who are pregnant or who want to become pregnant. A recent EPA/Department of Housing and Urban Development (HUD) Task Force report confirmed that old lead paint that is well maintained does not present a hazard and is best left undisturbed. If the old lead paint is in poor condition, however -- peeling, chipping, cracking or flaking -- or if there are plans to conduct any repairs or renovations, the lead can become a hazard, as it can create dust, which is the major pathway for exposure to lead. Lead dust can form when old lead paint is dry scraped, dry sanded, or heated.

An increasingly popular permanent lead abatement technique is to apply approved encapsulation products. Encapsulation of old lead paint is particularly encouraging as a more practical and cost-effective alternative to full removal of the paint. It is essential that a professional contractor, trained in proper handling and removal of lead-based paint, perform the removal of the paint. Untrained, unskilled contractors or amateur do-it-yourself efforts can actually increase lead risk. When renovations are planned that involve construction or lead removal, families (especially children and pregnant women) should be temporarily moved out of the home until the work is done and the area is properly cleaned.

### Asbestos

Asbestos is a family of naturally occurring minerals found in serpentinite and other metamorphic rock. When breathed, asbestos can lead to diseases such as lung cancer and mesothelioma. There is no known safe exposure to asbestos. Because of its strength and resistance to heat, asbestos has long been used for insulation, roofing and fireproofing. The physical properties of asbestos also made it an ideal additive to ease the manufacture and application of ceiling and wall finishes, tape joint compounds, floor tiles and mastics. Even if asbestos is in a building, it is usually not a serious problem. The mere presence of asbestos in a home or a building is not hazardous. The danger is that asbestos materials may become damaged over time. Damaged asbestos may release asbestos fibers and become a health hazard. Disturbing material containing asbestos may create a health hazard where none existed before.

Historically, asbestos was a popular component of many building materials and appliances. Houses built between 1930 and 1950 may have asbestos as insulation. Materials commonly found to contain asbestos include: roofing and siding, textured paint and patching compounds

used on wall and ceiling joints; artificial ashes and embers sold for use in gas-fired fireplaces; stovetop pads; walls and floors around wood burning stoves may be protected with asbestos paper, millboard, or cement sheets; some vinyl floor tiles and the backing on vinyl sheet flooring and adhesives; hot water and steam pipes in older houses may be coated with an asbestos material or covered with an asbestos blanket or tape.

If the asbestos material is in good condition and will not be disturbed, it is generally safe to leave it in its existing condition. If it is a problem, there are two types of corrections: repair and removal.

Repair usually involves either sealing or covering asbestos material.

Sealing (encapsulation) involves treating the material with a sealant that either binds the asbestos fibers together or coats the material so fibers are not released. Pipe, furnace, and boiler insulation can sometimes be repaired this way. Only a professional trained to handle asbestos safely should do this.

Covering (enclosure) involves placing something over or around the material that contains asbestos to prevent release of fibers. Exposed insulated piping may be covered with a protective wrap or jacket.

With any type of repair, the asbestos remains in place. Repair is usually cheaper than removal, but it may make later removal of asbestos, if necessary, more difficult and costly. Repairs can either be major or minor. Major repairs must be done only by a professional trained in methods for safely handling asbestos. Minor repairs should also be done by professionals since there is always a risk of exposure to fibers when asbestos is disturbed.

Removal is usually the most expensive asbestos abatement method and, unless required by state or local regulations, should be the last option considered in most situations, because removal poses the greatest risk of fiber release. However, removal may be required when remodeling or making major changes to a housing unit where the asbestos material will be disturbed. Removal may be called for if asbestos material is damaged extensively and cannot be otherwise repaired. Removal is complex and must be done only by a California State licensed hazardous material contractor with special training. Improper removal may actually increase the health risks to households.

## SECTION III

### HOUSING NEEDS ASSESSMENT

This section summarizes population, household and housing characteristics trends that have occurred in the City between 1990 and the present, and projects estimates for changes in these figures onto the year 2010. The data has been gathered from the most authoritative sources available, including the US Census, California Department of Finance, and AnySite Technologies

#### POPULATION TRENDS

In 1990, the City of Angels had a population of 2,953, which increased by 16.6 percent to 3,002 by 2000. Between 2000 and 2005, the City had an annual growth rate of 3.6 percent and has a current estimated population of 3,537 persons. This trend is expected to continue, with the population reaching an estimated 4,167 persons by 2010.

**TABLE III-1**  
**CITY OF ANGELS POPULATION TRENDS**

| 1990  | 2000  | 2005  | 2010  | CHANGE 2000-05 |         |
|---|-------|-------|-------|----------------|---------|
|   |       |       |       | Number         | Percent |
| 2,953   | 3,002 | 3,537 | 4,167 | 535            | 17.8%   |
| Source: US Census 2000; CA Dept. of Finance, 2005 |       |       |       |                |         |

The largest age cohort are those persons aged 0-14 which comprise 15.5 percent of the population in 2005, followed closely by the 55-64 age group with 13.5 percent of the population. Currently, 23.0 percent of the population is under the age of 20 years. Persons over age 65 represent 19.3 percent of the City's population.

**TABLE III-2  
CITY OF ANGELS POPULATION BY AGE**

| Age Group | 2005   |         | 2010   |         |
|-----------|--------|---------|--------|---------|
|           | Number | Percent | Number | Percent |
| 0-14      | 549    | 15.5%   | 566    | 13.6%   |
| 15-19     | 266    | 7.5%    | 288    | 6.9%    |
| 20-24     | 280    | 7.9%    | 39     | 79.5%   |
| 25-34     | 397    | 11.2%   | 509    | 12.2%   |
| 35-44     | 417    | 11.8%   | 433    | 10.4%   |
| 45-54     | 467    | 13.2%   | 509    | 12.2%   |
| 55-64     | 477    | 13.5%   | 566    | 13.6%   |
| 65-74     | 321    | 9.1%    | 437    | 10.5%   |
| 75-84     | 240    | 6.8%    | 308    | 7.4%    |
| 85+       | 123    | 3.5%    | 154    | 3.7%    |
| TOTAL     | 3,537  | 100.0%  | 4,167  | 100.0%  |
| Under 65  | 2,853  | 80.7%   | 3,268  | 78.3%   |
| Over 65   | 684    | 19.3%   | 899    | 21.6%   |

Source: 2000 Census; 2004 AnySite

## HOUSEHOLDS

Like population, the number of households in the County has grown significantly since 2000, showing a 20.2 percent increase by the year 2005. This trend is expected to continue, with a total of 1,855 households by 2010, representing an additional 20.1 percent increase in the City over the next five years.

Household growth rate is the primary factor in determining housing needs. Even during periods of fairly static population growth, there may be an increase in households as young people leave home, through divorce, by the aging of the population and other social activities that cause people to occupy a new residence. This relationship between population and households is indicated by the difference in proportionate change and has a direct effect on the size of households. In the City of Angels, the population is growing at slightly slower rate than the households, with a 26.2 percent growth in households since 2000 and a 22.3 percent growth in population. This growth difference indicates a lowering of the average

household size in the last five years. The estimated change in the number of households between 2001 and 2009, the Regional Housing Needs Assessment (RHNA) period, is 445 households.

**TABLE III-3  
CITY OF ANGELS HOUSEHOLD TRENDS**

| Year   | Households | Change | Percent Change | Simple Annual Percent Change |
|--|------------|--------|----------------|------------------------------|
| 1990   | 1,232      |        |                |                              |
| 2000   | 1,285      | 53     | 4.3%           | 0.4%                         |
| 2001*  | 1,347      | 62     | 4.8%           | 4.8%                         |
| 2005   | 1,544      | 197    | 14.6%          | 3.7%                         |
| 2009*  | 1,792      | 248    | 16.1%          | 4.0%                         |
| 2010   | 1,855      | 63     | 4.0%           | 4.0%                         |
| * Data for 2001 and 2009 shown to compare with RHNA projections<br>Source: U. S. Census, 1990 – 2000; CA Dept. of Finance, 2005; |            |        |                |                              |

Small households made the most significant gains during the last fifteen years, with the greatest percent gains in the one and two person households with a 40.5 percent increase and a 32.8 percent increase respectively. The greatest numeric change was in the number of two-person households, with an increase of 149 during the fifteen-year period. The average household size in 2005 is 2.3 persons, down from 2.4 persons per household in 1990.

**TABLE III-4  
CITY OF ANGELS PERSONS PER HOUSEHOLD TRENDS**

|                                      | 1990   |                  | 2005   |                  |
|--------------------------------------|--------|------------------|--------|------------------|
| Household                            | Number | Percent of Total | Number | Percent of Total |
| 1 person                             | 323    | 26.2%            | 454    | 29.4%            |
| 2 person                             | 454    | 36.8%            | 603    | 39.1%            |
| 3 person                             | 209    | 17.1%            | 190    | 12.3%            |
| 4 person                             | 151    | 12.2%            | 187    | 12.1%            |
| 5+ person                            | 95     | 7.7%             | 110    | 7.1%             |
| TOTAL                                | 1,232  | 100.0%           | 1,544  | 100.0%           |
| Ave. Household Size                  | 2.4    |                  | 2.3    |                  |
| Source: US Census 2000; 2004 AnySite |        |                  |        |                  |

Tenure, or the ratio between homeowner and renter households, can be affected by many factors, such as: housing cost (interest rates, economics, land supply, and development constraints), housing type, housing availability, job availability, public housing programs, and consumer preference. Overall, 29.6 percent of households were renters and 70.4 percent were owners in the City of Angels in 2005. The trend toward ownership is projected to increase over the next five years, but it is likely that new homeowners will be in the above-moderate income category.

**TABLE III-5**  
**CITY OF ANGELS HOUSEHOLDS BY TENURE**

| Type   | 2005   |         | 2010   |         |
|--------|--------|---------|--------|---------|
|        | Number | Percent | Number | Percent |
| Owner  | 1,087  | 70.4%   | 1,336  | 72.0%   |
| Renter | 457    | 29.6%   | 519    | 28.0%   |

## INCOME

The City shows a fairly even distribution of mid-level income groups across its population. There is a heavy proportion of households at the upper end of the income range, with over 20.0 percent earning more than \$75,000 annually. Between 2000 and 2005, the median income grew by 12.1 percent, from \$49,794 to \$55,842.

**TABLE III-6**  
**CITY OF ANGELS HOUSEHOLDS BY INCOME**

| Income Range       | 2000     |         | 2005     |         | 2010     |         |
|--------------------|----------|---------|----------|---------|----------|---------|
|                    | Number   | Percent | Number   | Percent | Number   | Percent |
| Less Than \$10,000 | 170      | 13.2%   | 198      | 12.8%   | 230      | 12.4%   |
| \$10,000-\$14,999  | 91       | 7.1%    | 99       | 6.4%    | 108      | 5.8%    |
| \$15,000-\$24,999  | 207      | 16.1%   | 212      | 13.7%   | 200      | 10.8%   |
| \$25,000-\$34,999  | 182      | 14.2%   | 229      | 14.8%   | 286      | 15.4%   |
| \$35,000-\$49,999  | 179      | 13.9%   | 219      | 14.2%   | 271      | 14.6%   |
| \$50,000-\$74,999  | 256      | 19.9%   | 264      | 17.1%   | 263      | 14.2%   |
| \$75,000-\$99,999  | 84       | 6.5%    | 141      | 9.1%    | 226      | 12.2%   |
| \$100,000+         | 117      | 9.1%    | 184      | 11.9%   | 271      | 14.6%   |
| TOTAL              | 1,285    | 100.0%  | 1,544    | 100.0%  | 1,855    | 100.0%  |
| Median Income      | \$49,794 |         | \$55,842 |         | \$62,023 |         |

Source: 2000 Census; 2004 AnySite

Information from the 2000 US Census, and estimates from AnySite 2004, are used for the determination of specific income groups in the City. For all government housing assistance



programs nationwide, the Median Family Income (MFI) is used to determine eligibility. The MFI is annually estimated and published by the US Department of Housing and Urban Development (HUD). These MFI's are also used to classify households into income groups consistent with the government codes. These groups are: Very Low-Income, at and below 50 percent of MFI; Low-Income, between 50 and 80 percent of MFI; Moderate-Income, between 80 to 120 percent of MFI; and Above Moderate-Income for households with annual incomes over 120 percent of MFI.

The Calaveras County MFI for 2005 is \$58,000. Table 7 shows that in 2005 in the City of Angels, 38.8 percent of households earn less than \$29,000 annually and are classified as Very Low-Income (599 households); 19.7 percent of the households in the City earn between \$29,001 and \$46,400 and are designated as Low-Income (304 households); 16.8 percent have incomes between \$46,401 and \$69,600 and are considered Moderate-Income; and, the Above Moderate-Income category represents 24.7 percent of all households in the City. The total number of households in the Very Low and Low-Income groups is 58.5 percent, or 903 households. The Household Income Survey conducted by Laurin Associates in 2004 showed similar percentages for the Low and Very Low-Income groups, with a total of 57.7 percent in the Very Low and Low-Income groups.

**TABLE III-7**  
**CITY OF ANGELS HOUSEHOLDS BY INCOME GROUPS – 2005**  
**Calaveras County MFI = \$58,000**

| <b>Income Group</b>                              | <b>Income Range</b> | <b>Percent of Householders</b><br>(Based on 2000 US Census and AnySite 2004) | <b>Percent of Householders</b><br>(Based on 2004 Household Income Survey) |
|--|---------------------|--|---|
| Very Low   | <\$29,000           | 38.8%  | 35.8%   |
| Low  | \$29,001 – \$46,400 | 19.7%  | 21.9%   |
| Moderate   | \$46,401 – \$69,600 | 16.8%  | N/A   |
| Above Moderate                                   | >\$69,600           | 24.7%  | N/A   |
| Source: U.S. Census 2000; AnySite 2004; HUD 2005 |                     |  |   |

## HOUSING AFFORDABILITY

Rental unit affordability is affected by the competitive rental market place and the availability of government rental assistance or development assistance programs (e.g., HUD Section 8, US Department of Agriculture, Home Investment Partnership Act (HOME), Community Development Block Grant (CDBG), etc.). It is also impacted by the availability of

appropriately zoned and located land, local government acceptance of multifamily projects, and a willing and capable developer. In addition, construction loan interest rates to build the project, and mortgage rates for individual buyers are also factors in the availability of competitive, affordable housing.

Housing affordability is based on shelter cost being equal to no more than 35 percent of income. Shelter includes rent or house payment plus necessary utilities. This is the standard for all government assisted rental programs. This is not an absolute rule for housing purchase; for home owners, the mortgage payment often equals 40 percent or more of the household income.

HUD bases the following affordability information on the current Calaveras County MFI, which is established on an annual basis. Calaveras County's MFI for 2005 is \$46,400 for a two person household, \$52,200 for a three person household, and \$58,000 for a four person household. Moderate-Income is equal to 80 to 120 percent of MFI; Low-Income is equal to 50 to 80 percent of MFI; and Very-Low-Income is less than 50 percent of MFI.

**TABLE III-8  
CALAVERAS COUNTY HOUSING AFFORDABILITY  
TWO, THREE, AND FOUR PERSON HOUSEHOLDS**

| Income Group     | Two Person Household |                              | Three Person Household |                              | Four Person Household |                              |
|------------------|----------------------|------------------------------|------------------------|------------------------------|-----------------------|------------------------------|
|                  | Income               | Maximum Monthly Shelter Cost | Income                 | Maximum Monthly Shelter Cost | Income                | Maximum Monthly Shelter Cost |
| Moderate Income  | \$37,100-\$55,650    | \$1,623                      | \$41,751-\$62,625      | \$1,827                      | \$46,400-\$69,600     | \$2,030                      |
| Low Income       | \$23,201-\$37,100    | \$1,082                      | \$26,101-\$41,751      | \$1,218                      | \$29,001-\$46,400     | \$1,353                      |
| Very Low Income  | < \$23,200           | \$677                        | >\$26,100              | \$761                        | >\$29,000             | \$855                        |
| Source: HUD 2003 |                      |                              |                        |                              |                       |                              |

Each year HUD also establishes the maximum housing cost that can be financed with various first-time homebuyer programs. In 2005, the maximum mortgage allowed for government financing in Calaveras County is \$312,550. In February 2005, at the time of writing, there were 130 single-family units listed for sale in the City of Angels and neighboring communities, ranging from \$120,000 for a one-bedroom/one bath home to \$694,500 for a 3-bedroom home. Based on this data, the current median sales price of a home in the City is \$365,123. It should be noted that the median sale price of housing in Calaveras County is widely variable due to the limited number of homes on the market at any given time, the variable lot size associated with these homes, and the resultant wide range of sales prices of those homes.

Housing affordability is affected by mortgage amount and interest rate, insurance, property tax and utilities. Assuming a 30-year mortgage of \$365,123 at 5.5 percent, the monthly payments for principal and interest would be \$2,073. In addition, property tax, homeowner insurance and utilities would add another \$600 per month. To afford the total cost for shelter in this case (\$2,673), a household would have to earn \$91,646 per month in order to avoid being cost burdened for shelter. Households in Calaveras County earning this amount of income are in the Above Moderate range. Providing for ownership housing to Moderate-Income households, or even Low-Income households, can often be achieved through publicly supported programs such as first-time home buyer programs, community land trust programs, and affordable housing ordinances requiring developers to set aside a certain percentage of new construction for households in the lower income categories. These programs, and others, are discussed later in this section.

An important statistic to measure the affordability of housing units is 'overpayment.' Overpayment is defined as monthly shelter costs in excess of 35 percent of a household's gross income. According to the 2000 Census, 34.5 percent of the renter households were in overpayment situations and 22.2 percent of owner households were overpaying for shelter in the City of Angels. These percentages equate to 188 owner households and 149 renter households overpaying in 2000.

**TABLE III-9  
HOUSEHOLDS OVERPAYING FOR SHELTER  
ANGELS CITY-2000**

| <b>Renter Households</b>  |               |                |
|---------------------------|---------------|----------------|
| <b>Percent of Income</b>  | <b>Number</b> | <b>Percent</b> |
| Less than 10 Percent      | 34            | 8.6%           |
| 10 – 19 Percent           | 85            | 21.5%          |
| 20 – 29 Percent           | 87            | 22.0%          |
| 30 – 34 Percent           | 53            | 13.4%          |
| <b>35 Percent or More</b> | <b>137</b>    | <b>34.5%</b>   |
| <b>Owner Households</b>   |               |                |
| <b>Percent of Income</b>  | <b>Number</b> | <b>Percent</b> |
| Less than 10 Percent      | 89            | 13.7%          |
| 10 – 19 Percent           | 240           | 36.8%          |
| 20 – 29 Percent           | 140           | 21.5%          |
| 30 – 34 Percent           | 38            | 5.8%           |
| <b>35 Percent or More</b> | <b>145</b>    | <b>22.2%</b>   |
| Source: 2000 Census       |               |                |

## HOUSING

A total of 40.1 percent of all housing units in the City have been constructed since 1980, while 22.6 percent of housing units were constructed before 1950.

**TABLE III-10**  
**CITY OF ANGELS HOUSING UNITS BY YEAR BUILT**

| Year   | Number Built | Percent of Total |
|--|--------------|------------------|
| 2000 - 2005  | 286          | 17.0%            |
| 1990 - 2000  | 226          | 13.3%            |
| 1980 - 1989  | 168          | 9.9%             |
| 1970 - 1979  | 270          | 15.9%            |
| 1960 - 1969  | 221          | 13.0%            |
| 1950 - 1959  | 141          | 8.3%             |
| 1949 and earlier   | 384          | 22.6%            |
| Total  | 1,696        | 100.0%           |
| Source: U.S. Census, 1990, 2000; Department of Finance, 2005 |              |                  |

Substandard housing indices, without physical inspection, can generally be judged as overcrowding, units lacking complete plumbing, and units constructed before 1940 without diligent maintenance. In the City of Angels, the percentage of overcrowded units was 1.7 percent. Also, 22.6 percent of the housing was built before 1949 and 0.8 percent of the units lack complete plumbing facilities.

**TABLE III-11**  
**CITY OF ANGELS INDICATORS OF SUBSTANDARD HOUSING, 2000**

| Indicators                           | Number | Percent |
|--------------------------------------|--------|---------|
| Overcrowded                          | 28     | 1.7%    |
| Lacking Complete Plumbing Facilities | 13     | 0.8%    |
| Built Before 1949                    | 384    | 22.6%   |
| Source: U.S. Census 2000             |        |         |

According to the 2000 Census, a majority of the City's housing stock is comprised of units that are considered very marketable in the housing market. For example, 60.0 percent of the renter housing units have either one or two bedrooms and 66.7 percent of the owner housing units were either two or three bedroom units.

**TABLE III-12**  
**CITY OF ANGELS HOUSING SIZE BY TENURE, 2000**

| Bedrooms   | Owner Households |         | Renter Households |         |
|--|------------------|---------|-------------------|---------|
|  | Total            | Percent | Total             | Percent |
| 0 BR   | 15               | 4.6%    | 11                | 7.1%    |
| 1 BR   | 32               | 9.8%    | 60                | 38.7%   |
| 2 BR   | 69               | 21.0%   | 33                | 21.3%   |
| 3 BR   | 150              | 45.7%   | 25                | 16.1%   |
| 4 BR   | 47               | 14.3%   | 26                | 16.8%   |
| 5+ BR  | 15               | 4.6%    | 0                 | 0.0%    |
| TOTAL  | 328              | 100.0%  | 155               | 100.0%  |
| Source: U.S. Census, 2000. Note: Does not include vacant housing units |                  |         |                   |         |

### **AFFORDABLE HOUSING PROJECTS- AT-RISK**

California Housing Element Law requires all jurisdictions to include a study of all low-income housing units, which may, at some future time, be lost to the affordable inventory by the expiration of affordability restrictions, opting out of housing assistance programs and becoming market rate multifamily rental units. The law requires that the analysis and study cover a ten-year period, and be divided into two, five-year periods, coinciding with updates of the housing element.

There is one government assisted rental property in Angels Camp that may be at risk of opting out of programs that keep them affordable to very low and low-income households over the five year housing element period (2001-2008) and for the subsequent five years (2013). This is the 50-unit Altaville Apartments that is partially supported through the Rural Housing Service's Section 515 rural rental housing program.

## HOUSING NEEDS

### Regional Housing Needs Assessment

The central intent of State Housing Element Law legislation is to attain the state's housing goal through the cooperation of government entities. Multi-jurisdictional agencies, or Councils of Governments (COGs), are given the responsibility of distributing the State's housing needs in an equitable manner that attempts to avoid the disproportionate distribution of Low and Very-low income households.

The City of Angels falls under the jurisdiction of the Central Sierra Planning Council – a four county region that includes all the incorporated and unincorporated areas within Alpine, Amador, Calaveras and Tuolumne counties. The Council uses a predominately demographic formula to allocate the regional housing needs within the four-county region. This process results in a Regional Housing Needs Assessment (RHNA), and the number reflected in that assessment must be considered when the housing element is prepared. For the period 2001 to 2009, the City of Angels has been given a construction need of 282 new housing units. The specific need by income group is depicted in the following table.

**TABLE III-13**  
**CITY OF ANGELS REGIONAL NEEDS ASSESSMENT**  
**CONSTRUCTION NEED BY INCOME GROUP**  
**2001 – 2009**

| Income Group  | Current RHNA |
|---|--------------|
| Very-Low  | 64           |
| Low   | 44           |
| Moderate  | 59           |
| Above-Moderate  | 115          |
| TOTAL   | 282          |
| Source: Central Sierra Planning Council RHNA, August 2003 |              |

While the current RHNA indicates a need for 282 new residential construction need during the period 2001 and 2009, the City's projected growth in households is estimated to be 445 households during the same period. The California Department of Finance indicates that 217 new single-family homes were built between January 2001 and January 2005. It is likely that the vast majority of these new homes were market rate residences targeted to Above Moderate-Income households, since these were the only new residential structures found during the Housing Condition Survey. The population and household growth data cited in this report suggest that the RHNA projection of need for construction of 108 housing units for Low and Very Low-Income households is underestimated. Assuming the projected household growth of 445 units and the proportion of Low and Very Low-Income households will remain fairly constant between 2005 and 2009, it is estimated that the need for housing is

likely to be 172 units for Very Low-Income-households, and 88 units for Low-Income households.

**TABLE III-14**  
**CITY OF ANGELS ESTIMATED ACTUAL CONSTRUCTION**  
**NEED BY INCOME GROUP**  
**2001 – 2009**

| Income Group  | Current RHNA |
|---|--------------|
| Very-Low  | 172          |
| Low   | 88           |
| Moderate  | 75           |
| Above-Moderate  | 110          |
| TOTAL   | 445          |
| Source: US Census 2000; CA Dept of Finance 2005; AnySite 2004 |              |

## HOUSING STRATEGIES

With the anticipated construction need for the estimated 260 units of housing for Very Low and Low-Income households by 2009, the City must focus on existing housing policies and programs and additional new sources of support to fulfill this need. The preponderance of new residential development in the City has been targeted at Above Moderate-Income households with no multifamily development at all in at least the last five years. Regardless of this record, the City has a number of policies that could assist with the development of new affordable housing, and access to numerous publicly supported programs for affordable housing financial assistance.

### Housing Rehabilitation

The 2004 Housing Condition Survey identified 1,031 housing units that are in need of some form of rehabilitation in order to provide clean, safe and decent conditions for households. Of these, 21.8 percent, or 225 units, are in need of moderate to substantial repair. Through observations at the time of the Housing Condition survey, it is estimated that as many as 30 of the units are either vacant or in a position to be sold at an affordable price to income-eligible households and potentially allowing the new homeowners to receive assistance through a housing rehabilitation deferred loan. Placement of income-eligible households into these homes could be further facilitated through a Homebuyer Assistance Program.

The State of California's Community Development Block Grant Program, administered through the Department of Housing and Community Development, sets housing as its primary goal in the awarding of its grants. Communities such as the

City of Angels qualify for awards of up to \$500,000 per year for housing rehabilitation, housing and land acquisition, reconstruction and first time homebuyer assistance. Similarly, the Home Investment Partnership Program (HOME) provides for up to \$600,000 annually for housing rehabilitation and acquisition. The CalHome Program provides for up to \$500,000 annually for rehabilitation, and acquisition and rehabilitation of site-built housing, and rehabilitation, repair and replacement of manufactured homes.

### **Second Dwelling Unit Ordinance**

The City currently has a “granny flat” ordinance allowing for second dwelling units to be developed on residential sites. This ordinance should be reviewed to eliminate age restrictions pertaining to the construction of these units. The concept of building second dwelling units, either for rent or for housing extended household members, has met with considerable success in many communities across the State.

The California State Legislature passed, and on September 29, 2002, Governor Davis signed, *Assembly Bill 1866*, pertaining to second dwelling units. The relevant section of the bill (Section Two, beginning on page 9) deletes California Government Code (CGC) §65852.2 paragraph (a)(4) which allowed local agencies to "establish a process for issuance of a conditional use permit for second units," and adds new paragraph (a)(3) which requires that from July 1, 2003 cities must consider second unit applications ministerially and without discretionary review or hearings. Section One of *AB 1866* deals with second units in General Plans, and Section Three with density bonuses for affordable units, and do not directly affect the Second Dwelling Unit regulations.

Nominally, this is only a change in procedure, but in practice will have significant effects on how second units are approved, and will also require complete reliance on zoning code standards. Ministerial approvals are limited to confirmation of compliance with code standards, and are necessarily less flexible than discretionary review.

An example second dwelling unit ordinance is contained in Attachment 3.

### **First Time Homebuyer Assistance Programs**

The City does not currently have a First Time Homebuyer Assistance Program. Since new homes are unattainable for Low or Moderate-Income households, the only reachable single-family homes for these households are the very lowest priced resale homes and mobile homes. The City should consider applying for a grant from the State Small Cities Community Development Block Grant Program, the Home Investment Partnership Program, or the CalHome Program to assist at least Moderate-Income families with housing acquisition. Second mortgages provided through these programs would likely have to be deferred loans of at least \$50,000 to assist Moderate Income households into an affordable home priced at \$300,000.



In addition to the above programs, the CalHFA Affordable Housing Partnership Program provides low interest mortgage loans to first time homebuyers, encourages the use of city, county, state, and federal subordinate loans, down payment assistance, and closing cost assistance to create additional affordable homeownership opportunities; leverages mortgage revenue bond funds with other governmental agency subordinate loans to get a lower effective interest for first-time home buyers; leverages bond funds with other governmental agency down payment or closing cost assistance to reduce the size of the borrower's mortgage loan; and leverages bond funds with other governmental agency funds in order to spread the benefit of bond funds to a greater number of homebuyers.

### **Inclusionary Zoning Ordinance**

An inclusionary zoning ordinance provides that residential development projects within the City contain a defined percentage of housing affordable to moderate, low, and very low-income households, and to provide a program of incentives and local public subsidies to assist in this effort. Such an ordinance will also help facilitate the production of very low, low and moderate-income households to help satisfy the fair share requirements of the Regional Housing Needs Assessment.

The amount of land in the City available for residential development is limited by a lack of availability, soaring costs, the high cost of infrastructure development, the planning principles embodied in State law pertaining to general plans, and by mandates in federal law. Scarce remaining opportunities for affordable housing would be lost by the consumption of land for residential development without providing housing affordable to persons of all incomes.

Therefore, to implement the City General Plan and Housing Element, to carry out the policies of State law, and to ensure the benefits of economic diversity to the residents of the City and beyond, it is essential that new residential development contain housing opportunities for all income levels, and that the City provide a regulatory and incentive framework which ensures development of an adequate supply and mix of new housing to meet the future housing needs of all income segments of the community.

An inclusionary zoning ordinance is intended to assist in the provision of affordable housing for persons of moderate, low and very-low income. Such an ordinance is designed to promote a full range of housing choices, to require construction and continued existence of affordable dwelling units, to provide for a program of incentives, and to implement the Housing Element of the City's General Plan.

Inclusionary zoning is a type of regulation that requires a minimum percentage of low and moderate-income housing in new developments. Inclusionary programs are based on mandatory requirements or on development incentives, such as density bonuses. Most contain the following elements: pricing criteria for affordable units; restrictions on resale and re-rental of affordable units; provisions for in-lieu fees; and other

provisions regarding on-site or off-site construction requirements, transfer of excess affordable housing credits, and etc.

Successful inclusionary zoning is usually supported by higher-density zoning and other housing programs. Downzoning will decrease the effectiveness of inclusionary zoning. The establishment of inclusionary zoning does not depend on state or federal subsidies or the direct involvement of outside agencies. It is a local requirement under local control. Affordable housing requirements are known with certainty at the earliest stages of project formulation. Over time this may result in lower land costs. Inclusionary zoning expands the supply of affordable housing for low- and moderate-income households by integrating such housing into the community, not isolating and stigmatizing it.

Jurisdictions can begin by adopting an inclusionary zoning ordinance as one method to implement policies in their housing element. Inclusionary zoning may apply to both rental and ownership units, single and multiple family projects. Criteria need to be established to screen the applicants for the low-cost units, since the demand from eligible buyers and renters is sure to exceed the supply.

Affordable housing requirements should be relatively modest (10-15 percent of the total number of units) if there are no development incentives (density bonuses, fee waivers) to reduce the financial impact on the developer. The ordinance should provide for alternatives (such as in-lieu fees) for developments that cannot satisfy the inclusionary requirement due to an unusually high cost of construction for a particular site. However, in-lieu fees, if too low, may not generate enough housing to construct housing units. Upzoning and other land use changes to increase residential development capacity should accompany inclusionary zoning. This will help offset the financial impact of inclusionary requirements and fees.

Inclusionary units should be integrated within the project so as not to be distinguishable from the market rate units. The jurisdiction needs to set up resale controls for continuing the use of the units by eligible occupants on turnover. This requires on-going management and administration; some cities have contracted with local housing authorities to run these kinds of activities.

An example Inclusionary Ordinance suitable for implementing in the City is presented in Attachment 4.

## Community Land Trusts (CLTs)

The City should investigate the feasibility of establishing a non-profit community land trust to assist in the development of single-family affordable housing for Moderate and Low-Income households. The concept of establishing nonprofit land trusts for the purposes of facilitating affordable housing has been in place within the State for several decades. In essence, a community land trust works in coordination with the City and the redevelopment agency (if present) to secure funding and gain title to land that will support the development of deed-restricted, owner-occupied housing units that households lease for an unspecified amount of time with the re-sale value of the unit set by a pre-arranged formula. The trust maintains the first right of purchase once the home changes title, thereby maintaining the affordable housing stock. The trust realizes a percentage of the resale profit and the lessee realizes all the principal accrued during the period of the lease, plus a percentage of the resale profit and a of the capital improvements made to the dwelling unit, as approved by the trust management or the City.

The modern community land trust model was developed in the 1960s by community activists who conceived a democratically controlled institution that would hold land for the common good and make it available to individuals through long-term land leases. CLTs typically acquire and hold land, but sell off any residential or commercial buildings that are on the land. In this way, the cost of land in the housing equation is minimized or eliminated, thus making the housing more affordable. The land leases, in addition to being long-term (typically ninety-nine years) and renewable, are also assignable to the heirs of the leaseholder. Most, if not all, community land trusts have in place "limited equity" policies and formulas that restrict the resale price of the housing in order to maintain its long-term affordability. These provide homeownership opportunities to people who might otherwise be left out of the market. Higher rates of homeownership help stabilize and strengthen communities by allowing households to gain equity in their housing investments and regain the principle they invest. Further, the community gets permanently affordable, stewarded land, and the homeowners get all of the advantages of owning a home – security, a chance for appreciated value, tax benefits, and a bridge over the gap between rental and market-rate homeownership.

In most cases, community land trusts have been formed as a grass-roots response to specific local needs. As a result, there is considerable diversity in the roles that CLTs play. Many rural CLTs have been established to ensure access to land and housing for low-income people and to preserve family farms. Urban CLTs often deal with combating the negative effects of speculation and gentrification. Most community land trusts focus on increasing homeownership, which sometimes includes educating potential homebuyers on establishing credit, applying for a mortgage, and maintaining a home. A number of CLTs have also acted as developers of special needs housing or group homes, rental housing, and even commercial space for lower income entrepreneurs. In the City of Angels there are many potential funding sources to make a CLT effective, including CDBG program income, CDBG and HOME grants, potential in-lieu building fees, and private investment.

More information can be obtained from the Institute for Community Economics' website at <http://www.iceclt.org/clt/>; or the Northern California Land Trust in Berkeley, California,

<http://www.nclt.org/>. Additionally, an excellent article of CLTs is available at Shelterforce Online, <http://www.nhi.org/online/issues/121/LandTrusts.html>.

### **Fee Waivers and In Lieu Fees**

In the search for funding for affordable housing development and preservation, some communities have chosen to place fees on new commercial and/or residential development. In some jurisdictions with inclusionary zoning, developers are given the option to pay fees in lieu of providing a required number of below market-rate units. Although fees will affect the land market and may impact the type and cost of housing or commercial uses built, they do generate a local source of funds for the development of affordable housing.

The existing high level of fees levied on new residential development (for local parks and open space acquisition, traffic mitigation, and many other purposes) encourages the market to provide higher cost homes. To offset some of these negative impacts and to entice the development of lower-cost housing, local governments can reduce or waive them in exchange for the provision of affordable housing.

Fees for affordable housing give a community local funds to direct to local programs and projects. The funds are not dependent on annual budget approvals or a public vote, but will vary directly with the amount of development. Payment of in-lieu fees allows developers to contribute to other housing projects rather than provide the housing directly, but this may deter inclusionary housing programs from achieving their goals. Fee waivers can help reduce the upfront costs of housing development and can be used in conjunction with other resources to support the development of affordable housing. Determining the amount, applicability, and impacts of the fee are the biggest challenge. Because state legislation (AB 1600) requires jurisdictions to show the relationship between fees and their impact on proposed development, the imposition of a fee should be done as part of a comprehensive housing program. A community should have a clear idea of how much funding is needed, how the funds are to be used, and how they supplement other programs.

To use fee waivers to encourage the development of affordable housing, a community needs to review all the fees currently levied and determine which fees can and should be waived. The largest fees over which a city or county has control will be the best candidates for fee waiver programs. Fees must be reasonable and related to the impacts of new construction. Early contact and cooperation with the development community will ease the acceptance of new fees. A clear, yet flexible plan for the expenditure of funds generated will ensure the usefulness of the fees. If fees are part of an overall housing program they will be more defensible.

To encourage the use of fee waivers, an adopted policy stating a community's willingness and procedures for waiving fees will encourage developers to seek such concessions. This provides the community with an opportunity to encourage the inclusion of affordable housing in new housing projects.

**Workforce Housing Reward Program**

The Workforce Housing Reward Program, administered by the California Department of Housing and Community Development, rewards cities and counties for the development of housing affordable to low and very low-income households. Grant amounts are based on the number of bedrooms in units restricted for low and very low-income households for which final land use approvals is issued during the 12-month reporting period. Qualifying rental units must be rent-restricted for at least 55 years. Ownership units must be initially sold to qualifying households at affordable cost. Workforce Housing Reward Program Grants do not support the development of affordable housing; rather, they are used for the construction or acquisition of capital assets that serve to benefit the community. Eligible projects include traffic improvements, neighborhood parks, bike paths, libraries, school facilities, play areas, community centers, and police and fire stations. Awards are distributed on the following basis:

- a) \$2,000 per bedroom for each unit affordable to very low-income households, and
- b) \$1,500 per bedroom for each unit affordable to low-income households
- c) \$500 per bedroom for each low or very low-income unit bonus for applicants who qualified and were awarded for the Job Housing Balance Program in 2003.

Additionally, jurisdictions that have made significant progress in building housing to meet the RHNA for their community will be eligible for bonus awards. To qualify for the first round of RHNA bonuses, eligible jurisdictions must have met the target percentage of their RHNA goals relative to the year 2005 represents in the RHNA cycle for their housing element. Any eligible applicant that has met the target RHNA will receive additional funds per bedroom for those units affordable to lower income households. RHNA bonus awards are made only for those units that meet the income requirements and are restricted affordable units. RHNA bonuses are in the amount of \$150 per bedroom for very low-income housing, and \$100 per bedroom for low-income housing.

More information on this program can be obtained from the HCD website: <http://www.hcd.ca.gov/fa/whrp/>.

# ATTACHMENT 1

## HOUSEHOLD CHARACTERISTICS SURVEY

### CITY OF ANGELS

WE NEED YOUR HELP. The City of Angels is conducting a survey to gather current household information. Your information is vital to the accuracy of the survey. Would you please assist me in answering some questions? All data *will be kept confidential*.

1. How many persons are in the household? \_\_\_\_\_
2. (Refer to table below)
  - a. Is the total household income **above** \_\_\_\_\_ or **below** \_\_\_\_\_ the number in **Category A** associated with the household size? [If you checked "**above**" also ask question 2.b. If you checked "**below**", please go on to question #3]
  - b. Is the total household income **above** \_\_\_\_\_ or **below** \_\_\_\_\_ the number in **Category B** associated with the household size?

| Household Size    | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Category A</b> | \$20,300 | \$23,200 | \$26,100 | \$29,000 | \$31,300 | \$33,650 | \$35,950 | \$38,300 |
| <b>Category B</b> | \$32,480 | \$37,120 | \$41,760 | \$46,400 | \$50,080 | \$53,840 | \$57,520 | \$61,280 |

3. What are your sources of household income? \_\_\_\_ Salary / wages \_\_\_\_ Social Security retirement  
 \_\_\_\_ Other retirement income \_\_\_\_ SSI \_\_\_\_ County General Assistance  
 \_\_\_\_ Unemployment Benefits \_\_\_\_ Self Employment income
4. Number of persons in the household **Employed Full-time?** \_\_\_\_\_ **Employed Part-time?** \_\_\_\_\_
5. How many persons who live in your household are **55 or older?** \_\_\_\_\_ **65 or older?** \_\_\_\_\_  
**Disabled?** \_\_\_\_\_
6. Housing type: # of Bedrooms \_\_\_\_\_ # of Bathrooms \_\_\_\_\_
7. Do you **Rent** \_\_\_\_\_ or **Own** \_\_\_\_\_ ? Monthly Rent: \$ \_\_\_\_\_ Monthly Mortgage: \$ \_\_\_\_\_
7. Would you be interested in participating in a City-sponsored Housing Rehabilitation Program giving householders low interest loans for needed home repairs? **Yes** \_\_\_\_\_ **No** \_\_\_\_\_
9. Would you be interested in participating in a City-sponsored First Time Homebuyer Program giving householders low interest loans for needed home purchase? **Yes** \_\_\_\_\_ **No** \_\_\_\_\_

COMMENTS \_\_\_\_\_

|                                      |  |                            |  |
|--------------------------------------|--|----------------------------|--|
| <b>↓↓↓ For Survey Personnel Only</b> |  | <b>↓↓↓ TYPE OF HOUSING</b> |  |
| a) Single family home                |  | b) Duplex                  |  |
| d) More than 8 units                 |  | e) Mobile home             |  |
| Address and APN _____                |  |                            |  |

## ATTACHMENT 2

### HOUSEHOLD CHARACTERISTICS SURVEY

### CITY OF ANGELS

WE NEED YOUR HELP. The City of Angels is conducting a survey to gather current household information. The City needs your information to support an application for a housing rehabilitation grant from the State of California. Would you please assist in answering some questions? All data will be kept confidential.

1. How many persons are in the household? \_\_\_\_\_
2. (Refer to table below)
  - a. Is the total household income **above** \_\_\_\_\_ or **below** \_\_\_\_\_ the income number in **Category A** associated with the household size? [If you checked "above" also answer question 2.b. If you checked "below", please go on to question #3]
  - b. Is the total household income **above** \_\_\_\_\_ or **below** \_\_\_\_\_ the income number in **Category B** associated with the household size?

| Household Size    | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Category A</b> | \$20,300 | \$23,200 | \$26,100 | \$29,000 | \$31,300 | \$33,650 | \$35,950 | \$38,300 |
| <b>Category B</b> | \$32,480 | \$37,120 | \$41,760 | \$46,400 | \$50,080 | \$53,840 | \$57,520 | \$61,280 |

3. What are your sources of household income? \_\_\_\_\_ Salary / wages \_\_\_\_\_ Social Security retirement  
 \_\_\_\_\_ Other retirement income \_\_\_\_\_ SSI \_\_\_\_\_ County General Assistance  
 \_\_\_\_\_ Unemployment Benefits \_\_\_\_\_ Self Employment income
4. Number of persons in the household **Employed Full-time?** \_\_\_\_\_ **Employed Part-time?** \_\_\_\_\_
5. How many persons who live in your household are **55 or older?** \_\_\_\_\_ **65 or older?** \_\_\_\_\_  
**Disabled?** \_\_\_\_\_
6. Housing type: Single family home \_\_\_\_\_ Duplex \_\_\_\_\_ Apartment \_\_\_\_\_ Mobile Home \_\_\_\_\_  
 \_\_\_\_\_  
 # of Bedrooms \_\_\_\_\_ # of Bathrooms \_\_\_\_\_
7. Do you **Rent** \_\_\_\_\_ or **Own** \_\_\_\_\_ ? Monthly Rent: \$ \_\_\_\_\_ Monthly Mortgage: \$ \_\_\_\_\_
8. Would you be interested in participating in a City-sponsored Housing Rehabilitation Program giving householders low interest loans for needed home repairs? **Yes** \_\_\_\_\_ **No** \_\_\_\_\_
9. Would you be interested in participating in a City-sponsored First Time Homebuyer Program giving householders low interest loans for needed home purchase? **Yes** \_\_\_\_\_ **No** \_\_\_\_\_
10. Your Address: \_\_\_\_\_, Angels, CA 95222
11. COMMENTS \_\_\_\_\_

**THE CITY OF ANGELS THANKS YOU VERY MUCH FOR YOUR ASSISTANCE.**

## ATTACHMENT 3

### Example Second Dwelling Unit Ordinance<sup>1</sup>

This Section shall be entitled the “Second Dwelling Unit Ordinance.”

**Purpose.** The purpose of this Section is to increase the supply of smaller dwelling units and rental housing units by allowing second dwelling units to be developed on certain lots which are zoned for single family residential use and to establish design and development standards for second dwelling units to ensure that they are compatible with existing neighborhoods.

**Definitions.**

a. “Second dwelling unit” is an attached or detached residential unit, which provides complete, independent living facilities for one or more persons. It includes permanent provisions for living, sleeping, cooking, eating and sanitation on the same parcel as the primary unit.

The term “second dwelling unit” includes guesthouses, in-law units and similar second dwelling units, which provide complete independent living facilities.

b. “Owner Occupied” means a unit occupied by a person who has an ownership interest in the unit and also occupies a unit on the property as a primary residence.

c. “Efficiency Unit” shall be as defined in Section 17958.1 of the California Health and Safety Code.

d. “Ministerial Second Dwelling Unit Review Process” shall be defined as the review process conducted concurrently with the submittal of a building permit application for a second dwelling unit. The City Building Department shall have the responsibility to review the submittal to ensure it meets the standards outlined in the second dwelling unit ordinance for a ministerial review.

e. “Administrative Second Dwelling Unit Review Process” shall be defined as the review process conducted under a separate application filed with the City Building Department either prior to or concurrent with the submittal of a building permit application for a second unit where an advisement of the action to be taken by the City on the application shall be sent by mail to surrounding property owners within a 350 foot radius of the subject parcel.

f. “Conditioned Space” shall be defined as an area or room occupied that is being heated or cooled for human habitation.

g. “Non-Conditioned Space” shall be defined to include, but are not limited to, open decks, patios and breezeways and non-conditioned shops, garages or storage areas.

**General.** A second dwelling unit, which meets the requirements of this Section, shall be allowed on a parcel, which is zoned for single-family residential use. A second dwelling unit which meets the requirements of this Section shall be considered in compliance with the allowable density for the lot upon which the second dwelling unit is located and shall be considered a residential use that is consistent with the existing General Plan and zoning designation for the lot.

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<sup>1</sup> Town of Danville, California; *Ordinance 2003-07*.



#### Procedure for Second Dwelling Unit Approval.

- a. Application. Applications shall be submitted to the City Building Department accompanied by all required fees, project plans (drawn to scale) depicting all onsite improvements, the location of the primary residence and the proposed second dwelling unit and existing trees, and architectural elevations showing the proposed second dwelling unit and its relation to the primary residence, a description of building materials, landscaping, exterior finishes to be used, parking to be provided, and any other information required by the City Building Department to determine whether the proposed second dwelling unit conforms with the requirements of this section. All applicants shall adhere to procedures for the implementation of this Section, including the Design and Development Standards Subsection and the submittal checklist for plans and drawings.
- b. Application and Processing Steps for Second Dwelling Units.
  - i. Ministerial Second Dwelling Unit Review Process. A Development Services Department Project Planner shall review the proposed second dwelling unit submittal to determine if the project plans include all above required information, and conform to the ministerial requirements. Unit Review Process application. If the proposal is determined to conform, the request shall be approved at a ministerial level by the City.
  - ii. Administrative Second Dwelling Unit Review Process. If an application conforms to the requirements, and the City makes the requisite findings shifting the second dwelling unit request out of the Ministerial Second Dwelling Unit Review process, the City shall notify all owners of property within 750 feet of the subject property not less than 10 days prior to the Town's action on the application.
  - iii. Planning Commission Review of Second Dwelling Unit Permit Review Process. If the City makes the requisite findings shifting the second dwelling unit request out of the Ministerial Second Dwelling Unit Review process, the second dwelling unit request shall be scheduled on the earliest available Planning Commission meeting for consideration and action as a consent calendar item. Planning Commission review of second dwelling unit requests that do not qualify for consideration and action on the consent calendar shall be scheduled for Planning Commission consideration and action as a public hearing item. Not less than 10 days prior to the Planning Commission meeting at which time the consent calendar and public hearing second dwelling unit requests will be considered, the City shall notify all owners of property within 750 feet of the subject property that the application has been filed and the date, time and location of the intended Planning Commission review.

Design and Development Standards for Ministerial Second Dwelling Unit Review Process Applications. All second dwelling unit application proposals under the ministerial review process shall comply with the following design and development standards. Nothing in this Section shall preclude the ability of the Planning Commission to approve second dwelling units, constructed as part of a new housing development, to help the development meet the requirements of the City affordable housing goals, which do not conform with the design and development standards.

- a. General. There may be only one second dwelling unit per lot, which shall comply with all applicable building, fire, and health and safety codes.
- b. Subdivision. The primary and secondary dwelling units may not be sold separately and no subdivision of land or air rights shall be allowed. The construction, financing, or leasing of second dwelling units shall be exempt from the requirements of the Planning and Zoning Law.
- c. Zoning Requirements. A second dwelling unit shall conform to all zoning standards that are applicable to the primary residence, including front yard, side yard, and rear yard setbacks, setback from other structures and height. Detached second dwelling units may not be constructed under the ministerial review process with reduced side and/or rear yard setbacks.
- d. Unit Size. The area of the second dwelling unit shall be a minimum of 150 square feet in size and a maximum of 750 square feet of conditioned space.
- e. Design. The exterior appearance of a second dwelling unit shall be architecturally compatible with the primary residence and with the surrounding neighborhood. Architectural compatibility will be determined to exist where there is coordination of building colors and materials (e.g., stucco, siding, masonry material, etc.), coordination of roof material, fenestration, other defined architectural features (e.g., wood details, corbels, stucco coins, masonry material, etc.) and coordination of landscaping ancillary to structures visible by the public or surrounding property owners. The City Building Department shall review second dwelling units for compliance with the design standards.
- f. Off-Street Parking. In addition to parking required for the primary residence, one additional off-street parking space shall be provided for a second dwelling unit. This additional parking space may be uncovered and compact in size, and may be provided as a tandem space (in which case it may not block vehicular access to a parking space required for the primary residence).
- g. Occupancy. The property owner shall occupy either the principal or the secondary residential unit. If neither unit is owner-occupied; then the use of the property shall revert to a single-family occupancy. Nothing in this section shall be construed to prohibit one or both of the units remaining vacant.  
This owner-occupancy requirement may be temporarily waived for a period of not more than three (3) years if the Planning Commission finds that the owner has an unavoidable reason for absence and if the owner appoints in writing another person to occupy and take responsibility for maintaining the property. All properties approved for second dwelling units must be maintained at a level consistent with the neighborhood in which it is located.
- h. Bedrooms. A second dwelling unit shall not contain more than two bedrooms.
- i. Utilities. All new utilities for detached second dwelling units shall be installed underground.
- j. Garages. Garages which are developed in conjunction with detached second dwelling units, shall be limited to the size necessary to accommodate a maximum of two standard-size parking spaces.

Design and Development Standards for Administrative Second Dwelling Unit Review Process Applications. Second dwelling units which do not qualify for ministerial review may be processed at an administrative level as an Administrative Second Dwelling Unit Review Process application if the finding can be made that a proposed unit will be appropriately designed as to not be out of scale or character with the receiving property or neighborhood in which the unit is to be located.

a. Unless otherwise modified by this subsection, or through the review process used for second dwelling units subject to this subsection, all provisions outlined shall apply to second dwelling units developed under this subsection.

b. The area of second dwelling units developed under this subsection shall be limited to a maximum size of 1,000 square feet of conditioned space.

c. Second dwelling units developed under this subsection shall be subject to review by the Design Review Board, if such review is deemed necessary by the City.

d. Detached second dwelling units may be constructed over a detached garage provided the garage location observes the applicable setbacks requirements for the primary residence.

Design and Development Standards for Planning Commission Second Dwelling Unit Review Process Applications.

a. Unless otherwise modified by this subsection, or through the review process used for second dwelling units subject to this subsection, all provisions outlined above shall apply to second dwelling units developed under this subsection.

b. Where the receiving property is greater than or equal to 40,000 square feet in size, the area of second dwelling units developed under this subsection may be increased up to a maximum size of 2,000 square feet if a finding is made that the increased size of the unit results in a unit that is in scale with the receiving property and shall not be larger than the primary residence on the property and that the unit is architecturally designed to mitigate the potential appearance of excessive building massing.

c. Second dwelling units authorized under this subsection which are 1,000 square feet or larger in size may be developed with up to three bedrooms, provided that a finding is made that the resultant increased size of the second dwelling unit is in scale with the receiving property and the primary residence on the property and that the unit is architecturally designed to mitigate the potential appearance of excessive building massing.

d. A waiver to the otherwise applicable setback regulations for detached second dwelling units may be granted as part of the public hearing review process where the Planning Commission finds that, due to the receiving property's relationship to surrounding properties, reduced setbacks will not adversely impact the privacy enjoyed by residents occupying surrounding properties. If this finding is made, minimum setbacks may be reduced down as far as those allowed for detached accessory structures in single-family districts. This waiver may be granted for the construction of a second dwelling unit over a two car detached garage provided the structure does not exceed 21 feet in height.

**Deed Restriction.** Before obtaining a Building Permit for a second dwelling unit, the property owner shall file with the County Recorder a declaration or an agreement of an owner occupancy restriction, which has been approved by the City Attorney as to its form and content, and stating that:

1. The second dwelling unit shall be in effect only so long as the owner of record of the property occupies either the primary residence, or the second dwelling unit.

**Existing Second Dwelling Units.** An existing second dwelling unit not in conformance with this Section shall be considered a nonconforming unit. If a property owner wishes to alter an existing nonconforming unit, the requirements of this Section apply to the proposed alteration.

Exceptions.

Exceptions to the provisions of this Section may be granted by the Planning Commission if the following finding is made:

Deviation from the stated Design and Development Standards is necessary to install features that facilitate access and mobility for disabled and/or elderly persons.

Variances. Variance permits to modify any standards contained in this Section may be granted by the City Building Department as an Administrative Permit.

**ATTACHMENT 4****Example Affordable Housing Inclusionary Ordinance<sup>2</sup>****Definitions**

"Affordable" means rented at an affordable rent or sold at an affordable housing price.

"Affordable rent" means for a unit whose occupancy is restricted to a very low-income household that the monthly rent, including utilities and all fees for housing services shall not exceed 30% for households earning fifty percent (50%) or less of the area median family income, adjusted for family size, or for a unit whose occupancy is restricted to a low income household that the monthly rent, including utilities and all fees for housing services, shall not exceed 30% for households earning fifty percent (50%) to eighty percent (80%) of the area median family income for the county. Affordable rent shall be based on presumed occupancy levels of one person in a studio unit, two persons in a one-bedroom unit, three persons in a two-bedroom unit, and one additional person for each additional bedroom thereafter.

"Affordable sales price" means the maximum purchase price that will be affordable to low and moderate-income households. In setting the affordable sales price, realistic assumptions regarding down payment, mortgage interest rate and term will be required and those assumptions must demonstrate that targeted income families can reasonably qualify. If evidence is presented which shows to the satisfaction of the City that targeted income buyers can qualify for financing even though the percentage of their income allocated to housing is higher than thirty percent, then a corresponding increase may be approved in the affordable sales price. Affordable sales price shall be based upon presumed occupancy levels of one person in a studio unit, two persons in a one-bedroom unit, three persons in a two-bedroom unit, and one additional person for each additional bedroom thereafter.

"Affordable units" means and is limited to those dwelling units which are required to be rented at affordable rents or purchased at an affordable sales price to specified households as described in this article.

"Annual household income" means the combined gross income for all adult persons living in a dwelling unit as calculated for the purpose of the Section 8 program under the United States Housing Act of 1937, as amended, or its successor.

"Construction costs" means the estimated cost per square foot of construction, as established by the City Building Department for use in the setting of regulatory fees, multiplied by the total square footage to be constructed.

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<sup>2</sup> From Placer County Inclusionary Ordinance

"Low income households" are those households with incomes of up to eighty percent (80%) of the HUD defined median family income, adjusted for family size, for the county.

"Market rate units" means dwelling units in a residential project, which are not affordable units.

"Moderate income households" are those households with incomes of up to one hundred twenty percent (120%) of the HUD defined median family income, adjusted for family size, for the county.

"Monthly owner-occupied housing payment" shall be that sum equal to the principal, interest, property taxes, utilities, homeowner's insurance and homeowner's association dues paid on an annual basis divided by twelve.

"Residential project" means a proposed residential development or subdivision of land, including condominium and timeshare projects, or the construction or rehabilitation of any dwelling unit for which a building permit or discretionary permit is issued by the City; provided, however, that residential project shall not include (1) the construction of any dwelling unit for which the construction costs do not exceed fifty-five thousand dollars (\$55,000), or (2) the rehabilitation of any dwelling unit for which the construction costs do not exceed fifteen thousand dollars (\$20,000).

"Substantial rehabilitation" means rehabilitation of existing dwelling units to insure that they will remain available at affordable housing cost to persons of moderate, low and very low income for the longest feasible time, but for not less than 30 years.

"Targeted income families" means those households that meet the classification as moderate, low and very low-income households as defined in this ordinance.

"Very low-income households" are those households with incomes of up to fifty percent (50%) of the HUD defined median family income, adjusted for family size, for the county.

### **Inclusionary unit requirement**

At least fifteen percent (15%) of all newly constructed dwelling units in a residential project shall be developed, offered to, and sold or rented to very low, low, and moderate- income households, at an affordable housing cost, as follows:

*Requirements for owner-occupied affordable units:* Sixty percent (60%) of the affordable units, which are required to be constructed in connection with the construction of market rate units intended for owner-occupancy, shall be available at affordable sales prices to moderate-income households. The remaining forty percent (40%) of the required affordable units shall be available at affordable sales prices to low-income households.

*Requirements for renter-occupied affordable units:* Sixty percent (60%) of the affordable units, which are required to be constructed in connection with construction of rental market

rate units, shall be available at affordable rents to low-income households. The remaining forty percent (40%) of the required affordable units shall be available at affordable rents to very low-income households.

The affordable units shall be constructed on-site not later than the related market rate units, unless one of the alternative actions (set forth below) is performed. Such dwelling units shall include a covenant that each dwelling unit shall be affordable for 30 years. For fractions of affordable units, the owner of the property must either construct the next higher whole number of affordable units, or perform an alternative action as specified (set forth below).

### **Design and building requirements**

All inclusionary units shall be comparable with the market rate units in terms of the base design, appearance, materials, and finished quality; and shall be appropriately dispersed throughout the project. Square footage of affordable units and interior features in affordable units need not be the same as or equivalent to those in market rate units in the same residential project, so long as they are of good quality and are consistent with contemporary standards for new housing.

Affordable units shall be dispersed throughout the residential project, or, subject to the approval of the planning director, may be clustered within the residential project when this furthers affordable housing opportunities.

All affordable units in a residential development shall be constructed concurrently with or prior to the construction of the market rate units. In the event that the City approves a phased project, the inclusionary units required by this ordinance shall be provided proportionally within each phase of the residential development.

### **Alternatives to On-Site Inclusionary Housing**

In lieu of including the affordable housing units on-site at the residential development, the requirements of this ordinance may be satisfied through one of the alternatives discussed below. Projects proposing to meet the minimum requirement for affordability through equivalency shall submit an equivalency proposal to the City Planning Director for approval. Such proposals shall show why compliance with this ordinance is not financially or otherwise feasible and how the alternative proposed will further affordable housing opportunities in the City to an equal or greater extent than compliance with the express requirements set forth under the Inclusionary Unit Requirement. A proposal for an alternative equivalent action may include, but is not limited to, the construction of affordable units on another site, dedication of vacant land, and/or the acquisition or rehabilitation of existing standard dwelling units and the enforcement of required rental/sales price restrictions.

Applicants may propose to construct rental affordable units in lieu of owner-occupied affordable units and shall submit an equivalency proposal pursuant to this section.

### **Alternative Equivalency Proposals**

**Off-site housing:** If the City determines that on-site inclusionary housing is infeasible based on large minimum lot size requirements, availability of services, limited road access, project location, and lack of adequate infrastructure, the developer may satisfy the requirements of providing inclusionary units as part of the residential development, in whole or in part, by constructing or substantially rehabilitating equal to or greater than the required inclusionary units at a site different than the site of the residential development.

**Dedication of land for housing:** If the City determines that on-site or off-site inclusionary housing is infeasible, the developer may satisfy the requirement of providing inclusionary units as part of the residential development, in whole or in part, by a conveyance of land to the City for the construction of the required inclusionary units.

**Payment of an in-lieu fee:** In exceptional cases where the City determines that on-site inclusionary housing, off-site inclusionary housing, or the dedication of land infeasible, a fee in lieu of all or some of the inclusionary units may be paid to the City by the developer.

### **Further Specifications for Alternative Equivalency Proposals**

*Standard for Approval.* The City Planning Director may approve an equivalency proposal only if it is not financially or otherwise feasible to construct the units within the development and the alternative provides a more cost-efficient solution to the inclusionary housing component than the standard approach set forth in this document, or if the location of off-site development would be superior to on-site development from the perspective of access to transportation, services, public facilities or other applicable residential planning criteria in the City General Plan. The Planning Director shall make a finding that it is not financially feasible to include units in the development, based in part on a proforma financial analysis.

*Affordable Units Off-Site.* An applicant may propose to meet its obligation under the ordinance through new construction, substantial rehabilitation of dwelling units, or adaptive reuse of an existing structure(s) at a location off-site from the proposed residential development.

*Number of Inclusionary Units Credited to the Dedication of Land.* The number of inclusionary units credited to the dedication of land will shall be based upon the number of inclusionary units which can, with a reasonable degree of certainty, be developed on the land, given (1) the mix of inclusionary unit sizes and type of structure in the equivalency proposal; (2) densities permitted by applicable planning and zoning designations; and (3) site, infrastructure, environmental and other physical and planning constraints and shall be at least equal in value to the cost of land providing the required number of affordable units.

*Site Suitability.* The land proposed for dedication must be suitable from the perspective of size, configuration, physical characteristics, physical and environmental constraints, access, location, adjacent use, and other relevant planning criteria.

*Site Identification and Regulatory Status.* The developer must identify the proposed dedicated site and the number of proposed units to be credited thereby as part of the equivalency proposal required in this document. At the same time or before the development project receives its entitlements, the dedicated land shall have received all the entitlements necessary



for development of the inclusionary units on such land. Unless the phasing plan requires otherwise, at the same time or before a residential project records a final map, or is issued a building permit, whichever is earlier, the dedicated land shall have received all the necessary project-level approvals necessary for development of the inclusionary units on such land, and prior to the issuance of any certificate of occupancy for a residential project, the dedicated land shall be fully served with the infrastructure (sewer, water, and roads) necessary for residential development.

*Planning Director Review.* If the equivalency proposal is accepted or accepted as modified by the City Planning Director, the relevant elements of the equivalency proposal shall be included in the applicable approvals for both the residential development generating the requirement for the inclusionary housing component and, if applicable, the dedicated site, off-site development, or rehabilitation project where all or part of that requirement is proposed to be met. If the equivalency proposal is rejected, the inclusionary housing component shall be provided as set forth in this document within the development project.

*Implementation.* As early as possible in the regulatory process, the owner of the residential project must: (1) in the case of land dedication, provide an irrevocable offer of dedication for the dedicated site at no cost to the City or to a developer of affordable housing approved by the City; and (2) in the case of off-site development, demonstrate to the planning commission that the off-site location is and will remain committed to the timely development of the inclusionary units; and (3) in the case of new construction or substantial rehabilitation of rental units, assure that the units will be rent restricted for 30 years with respect to each affordable unit. The commitment of off-site land may be demonstrated through ownership of the off-site location, or through adequate control of the use of the off-site location through joint-ownership, joint venture or other contractual means. If necessary to ensure that inclusionary housing units are developed or rehabilitated concurrently with the market rate units, the City may require the offer of dedication, evidence of off-site control, or commencement of rehabilitation as early as the recording of a final map or issuance of a building permit, whichever occurs first.

With respect to an off-site location, the planning commission may also condition development or occupancy of the residential project on development or occupancy of the off-site inclusionary units, and the inclusionary housing agreement must apply to and be recorded against both the residential project and the off-site development. With respect to dedicated land, the City, upon acceptance of the offer of dedication, shall publish a request for proposal for development of the site(s) which will result in the production of at least the number of inclusionary units credited to the site(s).

**Affordable Housing Incentives**

The developer may request that the City provide inclusionary incentives as set forth in this section. The goal of these inclusionary incentives is to apply available incentives to qualifying projects in a manner that, to the extent feasible, offsets the cost of providing the inclusionary housing component. The City Planning Director shall respond to that request and make a determination as to a package of inclusionary incentives.

*Fee Waivers or Deferrals.* Upon application as provided herein, the City shall make available a program of waiver, reduction, or deferral of development fees, and/or administrative fees for affordable units. Such a program may include a fifty percent (50%) waiver of development-related application and processing fees for affordable units constructed in connection with such residential project. In addition, the planning commission may consider, on a case-by-case basis, the provision of additional incentives as provided by law or in the Housing Element of the City General Plan.

*Modification of Planning and Public Works Development Standards.* Upon application as provided herein, the City may modify for affordable units, to the extent feasible, in light of the uses, design, and infrastructure needs of the development, standards relating to road widths, curbs, and gutters, parking, lot coverage, and minimum lot sizes.

*Interior Finish Reductions.* Upon application as provided herein, the City may, to the maximum extent appropriate in light of project design elements, allow builders to finish the interior of affordable units with less expensive finishes and appliances than the market rate units.

*Streamlining and Priority Processing.* The City Planning Director may authorize the expedited permit process which can relieve affordable units of the time constraints to the maximum extent feasible consistent with the public health, safety, and welfare.

*Density Bonus.* The City shall make available to the developer a density bonus as provided in State density bonus law (Government Code Section 65915), however, the affordability requirements to qualify for a density bonus shall be those stated in other provisions of this article. Market rate units produced as part of such a density bonus do not give rise to an inclusionary housing component.

*Local Public Funding.* Residential units required by this ordinance may be eligible to receive assistance from local public funding for affordable housing.

**Time Performance Required**

No temporary or permanent certificate of occupancy for any new dwelling unit in a residential project shall be issued until the permittee has met the on-site construction inclusionary requirement of the residential development or has satisfactorily performed one of the alternative actions set forth in this document.

**Exempted Residential Development**

The following development projects are exempt from this chapter and generate no obligation to provide an inclusionary housing component:

- Residential projects proposed to contain six (6) or fewer residential dwellings at one location;
- Rehabilitation of existing residential dwellings;
- Market rate units resulting from a density bonus;
- Any residential project for development of single-family residential units on subdivision lots created pursuant to a final map recorded on or before 1-1-03.

### **Continue Affordability**

Prior to the issuance of certificates of occupancy for affordable units, regulatory agreements and, if the affordable units are owner-occupied, resale restrictions, deeds of trust and/or other documents, all of which must be acceptable to the City, shall be recorded against parcels having such affordable units and shall be effective for at least the period of time required by Health and Safety Code with respect to each affordable unit.

The maximum sales price permitted on resale of an affordable unit intended for owner-occupancy shall not exceed the seller's purchase price, adjusted for the percentage increase in median income since the seller's purchase, plus the value of substantial structural or permanent fixed improvements to the property to the property as determined by the City Assessor. For purposes of this subdivision, median income shall be calculated based upon the presumed occupancy level used to determine affordable sales price. The resale restriction shall provide in the event of the sale of an affordable unit intended for owner-occupancy, the City shall have the right to purchase such an affordable unit at the maximum price, which could be charged to an eligible household.

No household shall be permitted to occupy an affordable unit, or purchase an affordable unit for owner-occupancy, unless the City or its designee has approved the household's eligibility, or has failed to make a determination of eligibility within the time or other limits provided by a regulatory agreement or resale restrictions. Households selected to occupy affordable units shall be selected first from the list of eligible households maintained by City RDA to the extent provided in the regulatory agreement or resale restrictions.

### **Enforcement**

It shall be a misdemeanor for any person to sell or rent an affordable unit as specified in this ordinance at a price or rent exceeding the maximum allowed or to a household not qualified, unless authorized by the regulatory agreement for such unit.

The City Legal Office shall be authorized to enforce the provisions of this document and all regulatory agreements and resale controls placed on affordable units by civil action and any other proceeding or method permitted by law. Failure of any official to fulfill the requirements of a provision of this document shall not excuse any applicant from fulfilling the remaining requirements of the ordinance.